Alberta's Debt Laws Grow More Fantastic (Page 4)

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The Nation's Business

Railway Workers Ask Wage Increase

Too Early Yet To Consider It

Ontario's Export Of Pulpwood Is Shortsighted

Canada's National Defence Policy

Empire Is Again Forgotten

Alberta Loses Capital and Will Suffer

An Inopportune Wage Demand

CANADIAN railway employees have chosen a very inopportune time to seek restoration of the 10% pay cut which, if granted, would bring pay schedules for all running trades back to 1929 levels. Apparently the chief justification for such action on the part of the union leaders is the fact that a similar restoration was made to U. S. railway employees 2 years ago following a temporary burst of prosperity affecting most lines in that country.

If granted by the Board of Arbitration, which is being sought at Ottawa by the men, this increase would mean between $18 and $19 millions annually added to the wages of over 100,000 workers comprising the rank and file of railway employees in Canada. Such an increase, coming at a time when the roads are already beginning to feel the depressing effects of a western crop failure, might easily be the final straw on the back of an already tottering railway camel—might easily have nation-wide consequences which would affect not only the livelihood of railway employees but of hundreds of thousands of Canadian wage-earners in other lines of business. The farmer and the taxpayer are in no position to carry such a load.

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THERE is a general feeling in Canada that the average income of railway employees is not only relatively high but is considerably higher than the income of those in similar lines of work. Even the Department of Labor wage indices show 1935 wage rates in steam railways to be as high or higher than those of any other group—added to which is the substantially sheltered position of the railway employee by reason of his almost complete organization along union lines and by reason of the rigid rules and regulations which tend to maintain income in spite of short time, lay-offs, etc.

Doubtless many thousands of those in whose name the application has been made are quite content with their present wage scale in view of business prospects for the railways in Canada at the present time, but are yielding to pressure from the parent union in the U. S. If this be true it is short-sighted policy indeed since failure to succeed in their application will jeopardize the possibility of an early wage increase when conditions do improve and will also leave a bad taste in the mouths of other Canadian wage-earners.

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Exporting Pulpwood

ONTARIO is now "creating employment" by permitting the export of pulpwood. Much more employment would be created if the pulpwood were converted into pulp, paper or wood products in Canadian mills.

The leader of the Conservative opposition has criticized the government's policy, hints at graft in the permits that have been granted for export and demands an investigation.

The premier replies that if there is going to be any enquiry it will go back 20 years and look into the manner in which the Conservatives too handled the provinces' timber resources.

When the Conservatives charge the Liberals with mismanagement of the province's timber; when the Liberals in turn suggest that the Conservatives were themselves timber grafters it would seem that a prima facie case for a wide open enquiry by Royal Commission has been made out.

Let the enquiry go on; not in the form of a dog fight in the public accounts committee but by independent jurists. Let us see if anyone has been grafting with Ontario's timber wealth.

And let the facts come out about the policy of exporting raw timber. If there is market in the United States for pulpwood there is also a market for the finished product made from that pulpwood.

Ontario should not permit the wood to go out at a few dollars a cord when it could become the basis of expanded industrial production and employment in Canada.

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Mr. Mackenzie On Defence

IT IS being suggested in some quarters that Hon. Ian Mackenzie, Minister of National Defence, was forced by public opinion to issue his statement on Canadian

(Continued on page 2, col. 3)

Burns & Co. Sales Higher Profits Less

Exports Increase But Show Decreased Returns

LIQUID ASSETS UP

In the 9 months ended Sept. 30, Burns & Co., Calgary meat packing firm, has enjoyed a volume of business in excess of that for the same period of 1935, due chiefly to increased export trade, and notwithstanding reduced volume in Western Canadian drought areas.

Earnings available for depreciation and bond interest are somewhat less than in 1935 owing to a decrease in profits on exports. Profits are considered satisfactory in the circumstances, however, and the outlook for the reminder of the year is regarded as favorable by the management.

Keen foreign competition in the British market is the main reason for lower export profits.

Paying 5% Interest

Last year's earnings amounted to about 8.7% on the $6.7 millions of first mortgage bonds after charging depreciation. Interest on half the bonds is now paid at the fixed rate of 5% but on the other half is payable only if earned. On this income section of the bonds, 5% was paid from 1935 earnings.

Net current assets at Oct. 1, 1936, are stated to show a satisfactory increase when capital expenditures this year are taken into consideration. In addition to maintenance, extensive repairs have been made and new equipment installed where necessary for efficient and economical operation. Net current assets amounted to $2.8 millions in 1935, and John Burns, president, stated that further capital expenditures of about $300,000 would be required in 1936.

Subsidiaries' Gains

The company's subsidiaries, Palm Dairies Ltd. and Consolidated Fruit Co., show increases in both volume and earnings for the first 9 months as compared with the 1935 period, it is stated. The management considers their prospects for the remainder of the year satisfactory. New buildings and equipment as well as maintenance have been provided for these subsidiaries.

Both subsidiaries reported improved earnings in 1935 over 1934. Neither subsidiary distributed profits to Burns & Co. last year, however, so that their operations were not reflected in the accounts of the parent company.

Profit in 1935

Earnings of Burns & Co. in 1935 applicable to bonds amounted to $581,342, after deducting depreciation and minor interest charges. Bond interest included 3½% for the year on the fixed interest half of the bond mortgage and 5% on the income half of the bond issue, totalling $280,507. At 5% on the entire issue, bond interest would total $333,000. Thus it appears that there could be a considerable reduction in earnings and still leave coverage for 5% on the entire bond mortgage

The company was reorganized in 1934 and the first mortgage bonds were divided into 2 sections. On one half interest was fixed at increasing rates, up to the current fixed charge of 5%. On the other half, interest up to 5% is payable only out of earned income up to Dec. 31, 1938. Thereafter, interest is fixed at 5% on all the bonds.

Federal Gov't Shows Surplus For Half Year

Improvement in Budget Position Is $37.2 Millions

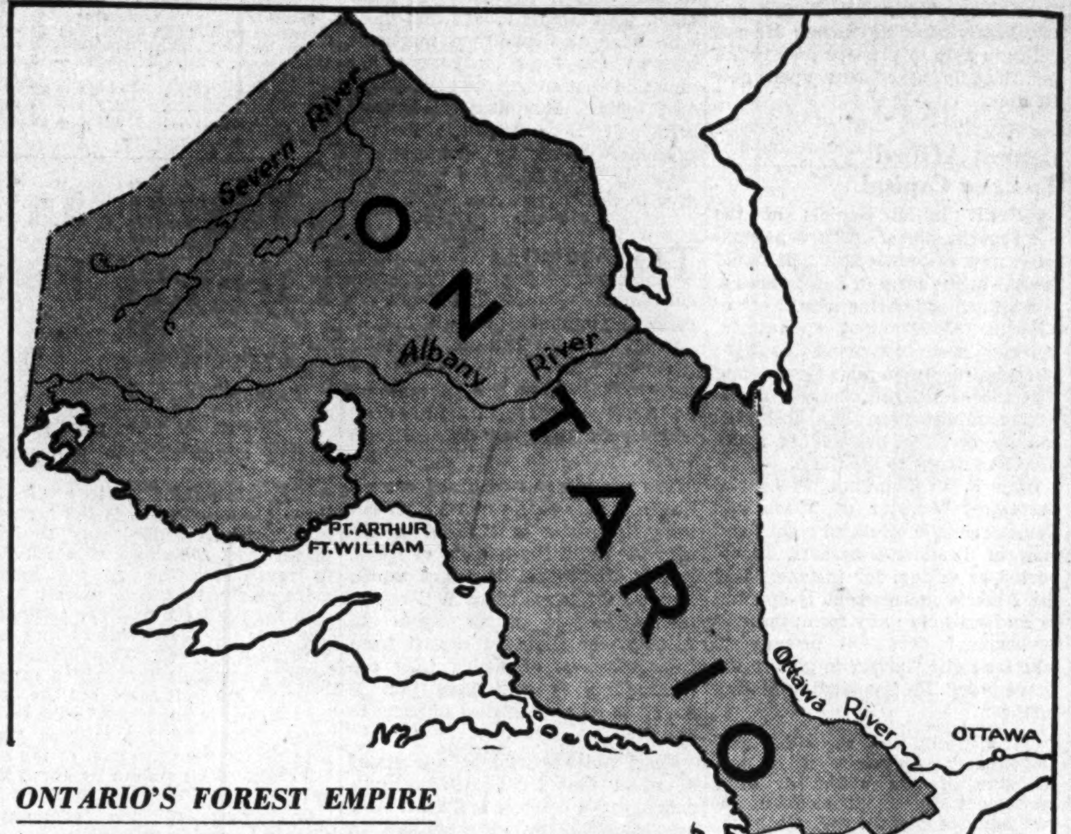
A net improvement of $37.2 millions in its budget position is reported by the Dominion Government for the first half of its current fiscal year, a surplus of $4.6 millions being reported for the 6 months ended Sept. 30 as compared with a deficit of $32.3 millions in the corresponding period of 1935.

Dominion Revenue and Expenditure
6 months ended Sept. 30

	1936 $000's	1935 $000's	Change $000's
Revenue:			
Customs duty ..	39,153	36,741	+ 2,412
Excise duty	23,413	23,127	+ 286
Exc. taxes, sales	65,557	51,023	+14,534
Income tax	79,575	63,718	+15,857
Gold tax	.....	1,407	— 1,407
Post office	14,841	14,274	+ 567
Sundry	10,821	8,580	+ 2,241
Special	480	221	+ 259
Total	233,840	199,091	+34,749
Expenditure:			
Ordinary	169,547	165,954	+ 3,593
Special	56,919	61,296	— 4,277
Capital	2,712	4,441	— 1,729
Total	229,178	231,691	— 2,513

Month of September

	1936 $000's	1935 $000's	Change $000's
Revenue:			
Customs duty ..	6,531	6,157	+ 374
Excise duty	3,824	3,913	— 89
Excise taxes, sales, stamps .	12,777	9,454	+ 3,323
Income tax	3,276	2,543	+ 733
Gold tax	.....	15	— 15
Post office	3,140	2,972	+ 168
Sundry	2,564	943	+ 1,621
Special	110	33	+ 77
Total	32,222	26,031	+ 6,191
Expenditure:			
Ordinary	26,279	26,093	+ 186
Special	6,484	10,476	— 3,992
Capital	585	749	— 164
Total	33,348	37,318	— 3,970



ONTARIO'S FOREST EMPIRE

Of the 264.1 million acres of land comprising Ontario's area, the shaded portion of this map shows 221 million acres of interest to forestry, lumbering, pulpwood and mining industries. Export of crown land pulpwood by jobbers to the United States will be increased in volume under the government policy. Cutting is being done at the head of the Great Lakes.

Ont. Govt. Opens Door For Pulpwood Exports

Jobbers Cut Choice Spruce Stands In Easily Accessible Areas

Sales to United States paper mills of pulpwood from Ontario Crown lands are assuming large volume in 1936 because, The Financial Post understands, American buyers fear a stop will be put to pulpwood export sooner or later in the interest of conservation. Stocks are being piled up several years ahead of needs, it is said, and such United States paper companies think this good insurance against the prospects of higher wood costs later if Ontario supplies are cut off in response to public demand.

Even greater export volume is foreseen as cutting rights to some 350,000 cords of choice spruce have been given to jobbers and others cutting pulpwood this season on Crown lands at the head of the lakes. The old policy of advertising timber limits for sale by tender has been abandoned in favor of annual contracts for pulpwood cutting, and political opponents of the present Hepburn Government have not been slow to state this gives an excellent opportunity to hand out the cutting contracts to political friends.

Exporting Our Best

The jobbers are getting the best and most accessible stands and though the Government makes it obligatory to jobbers to charge $11.50 a cord for the pulpwood they deliver, there apparently has been no check-up to detect cases where a rebate has been given in one form or another.

The price mentioned is competitive but not if a rebate system has been conducted clandestinely and that is feared by some Canadian operators. United States mills are undoubtedly anxious about future supplies and are willing to pay what they consider a fair price but they are also used to shopping around to get as low an average as possible. The government charges $1.60 a cord to the jobbers. Cost to U.S. mills is reported in some cases to be as low as $8.50 a cord.

Criticism is all the keener of the policy which permits export of choice spruce on the ground that it depletes some of the best Crown lands in the most available areas. The less accessible areas will be left for later exploitation by Canadian companies at greater costs.

History of Ontario politics shows it is easier for suspicion of skulduggery to arise in connection with the forest resources than in any other department. There have been investigations in the past and now another probe is imminent.

Helps Employment for Awhile

There is considerable doubt that employment is being furthered except temporarily. Doubtless Canadian jobbers at the head of the lakes give employment when they get contracts from United States interests to remove pulpwood and have cutting rights given them by the Ontario Government. Some 3,500 men are reported at work in the woods on domestic and foreign contracts.

It has always been legal to export Ontario pulpwood from patented lands. All that has ever been necessary was for the transportation companies to get clearance certificates from the Department of Lands and Forests. The obligation to get clearances was not imposed with the object of limiting export of pulpwood but for checking up by the department to be sure that none of it went from Crown lands. A man who owns his property can ship out what he wants to and that is true all over Canada.

Present controversies refer entirely to pulpwood exported from Crown lands. The law of the province is shown plainly by the Crown Timber Act. The policy of legislatures in the past has been indubitably to have all soft woods, especially those suitable for manufacturing of paper, manufactured in Canada. It is plainly set forth that the term "manufacture" has in view products such as merchantable pulp or paper or sawn lumber. The Minister of Lands and Forests can give the right to cut pulpwood upon Crown lands for such periods and considerations and under such regulations as he deems proper.

"Waiver" the Joker

Since 1920 there has been a "waiver" clause which says the Lieutenant - Governor - in - Council (the cabinet) may suspend operations of the manufacturing regulations for such periods as may seem proper and in such districts as thought fit.

This "waiver" clause was never used to permit pulpwood export until the Hepburn Government came into power. It was really intended in the first place to facilitate the export of saw logs on occasion but it is now being used on a large scale to permit pulpwood export.

Ontario's Annual Pulpwood Cut

The pulpwood cut on Crown lands has been growing continuously for half a century. The greatest increase occurred in the periods when pulpwood export was forbidden.

	Average Yearly Cut Cords
1891-95	4,606
1896-1900	38,553
1901-05	48,996
1906-10	84,992
1911-15	153,623
1916-20	271,727
1921-25	582,374
1926-30	718,887
1931-35	347,063

Depression Pulpwood Cuts

Average total cut of Crown lands, therefore, has dropped away considerably from the average shown from 1926 to 1930. The trend during years of depression can be best shown by the following table.

Years Ended October 31	Yearly Cut Cords
1930	1,051,631
1931	265,586
1932	176,726
1933	181,929
1934	500,083
Years Ended March 31	
1936	604,587
1937 (est.)	x 720,000

x Government expects output to equal average for 1926-30 at least.

There were 6.1 million cords of pulpwood cut in Canada for all pur-

(Continued on page 2, col. 4)

The Financial Post Plans Articles on Alberta Report

Starting next week The Financial Post will carry a series of articles on the history and detail of Alberta's fiscal and economic problems.

The articles will be drawn from the Elliott-Walker report prepared for the Alberta bondholders' committee.

Although an analytical synopsis of the report has already been presented by The Post, the document is so extensive as to warrant this serial presentation.

Investment interest in the huge report has been so widespread that the first 200 copies were exhausted and some 300 more have been printed. However, copies are not available to the general public. Hence The Financial Post will make much of the material available to the ordinary investor.

Would Change Lake St. John Stock Control

St. Lawrence Corp. Receives Minor Share in Reorganization

From Our Own Correspondent

MONTREAL.—Full particulars of the plan of reorganization for Lake St. John Power and Paper Co. will be officially announced shortly, as the last of the legal details is expected to be complete before the week-end.

The plan in its present form is much along the lines anticipated. Arrears of interest on the funded debt will be capitalized, a share of the equity goes to the holders of the first mortgage bonds and debentures, while corporate control passed from St. Lawrence Corp. to St. Lawrence Paper Mills.

Basis of Exchange

Holders of the 6½% first mortgage bonds will be given $1,200 of new 5½% mortgage bonds plus 2 shares of common stock for each $1,000 bond held. While there has been no decision as yet, it is likely that the company will make a small cash payment in respect to the August 1 coupon.

As regards the old 6½% debentures, the plan provides that the holder of $1,000 debenture will receive $1,250 of new 5% debentures and 5 shares of common stock. The new debentures will be placed on an income basis for the first 5 years, after which interest becomes a fixed charge.

Cut Preferred in Half

The presently outstanding 7% cumulative preferred stock, amounting to $3.6 millions will be cut in half and the dividend rate reduced to 6% and made non-cumulative. In return for these concessions, a majority of the common shares will be given to St. Lawrence Paper Mills as owner of the preferred.

The old common stock will be reduced one for 4, taking away con-

(Continued on page 2, col. 3)

Brant. Roofing Sales Improve

Brantford Roofing Co. and subsidiaries have had "a nice increase" in sales this year, the management states.

Due to lower prices, the increase of profits is not expected to match the increase in sales. Earnings are expected to be somewhat higher than last year, however. The year closes Oct. 31.

Investment interest in the company lies in $555,000 of 6½% first mortgage bonds and $750,000 of 7% preferred stock on which dividends were last paid in 1931. Bond interest payment due May 1, 1936, was delayed 60 days to give the company greater working capital to handle larger volume of business. The question of preferred dividends remains in abeyance.

Easy Washing May Yet Pay

Sales of Easy Washing Machine Co. have continued their improvement, it is understood, and if this lasts through the remainder of the year, resumption of preferred dividends will be considered.

The 7% dividend on the preferred shares of $10 each is cumulative from July 1, 1935, but no payments have been made. So accruals will total $1.05 a share by the end of this year. Consideration of dividend action is expected toward the end of the year.

Shawinigan's Earning Power Keeps Rising

All Divisions Contribute to Stronger Showing This Year

FIRM POWER SALE UP

From Our Own Correspondent

MONTREAL.—Shawinigon Water and Power Co.'s power load is steadily increasing. Especially is this the case in connection with the primary load, and revenues from the sale of electricity and income from other sources are now expected to exceed $13.5 millions for the full year, compared with just over $13 millions during 1935.

For the first half of 1936, the company reported a gross revenue of more than $6.6 millions. This represented a gain of $382,000 over the same 6 months of 1935. Report for the third quarter is scheduled to make its appearance before the end of the month. It should show a gross income of around $3.5 millions, which would bring the cumulative income for the year to about $10¼ millions.

More to Distribute

While operating expenses, administration charges and reserves are somewhat higher this year, the amount available for dividends indicates a stronger position than prevailed a year ago. It will be recalled that in the last annual report the company initiated reserves to take care of exchange premium and financing expenses. This policy is understood to have been carried on this year. While the amount set aside for special reserves has been fairly substantial, net figures continue to gain.

During the first half of the year Shawinigan had a net before depreciation and income tax of $1,647,631, a gain of about $90,000 over the same period of the previous year. The increase has been gathering momentum and expectations are the interim report covering the third quarter will reveal a larger gain.

While it is difficult to foretell what the current and last quarter of the year is likely to show, it is said the company will be able to report for 1936 as large a surplus after dividends as was the case in 1935 despite the increase in dividend payments on the common stock. The increase amounts to $217,825 annually, so that in order to equal last year's surplus the company would have to show a net profit before income tax and dividends of around $2.7 millions.

More Firm Power

The strength in Shawinigan's earning power this year is due to a general all-round improvement, rather than to any one particular development. Sale of electrical energy is higher today than ever before in the history of the company. The record production of newsprint in the company's territory has been an important factor, both in demand for primary and secondary power.

The asbestos industry in the eastern townships of Quebec also has been operating at a record pace,

(Continued on page 2 col. 6)

Suggest New Plan For Airmail Firm

From Our Own Correspondent

OTTAWA. — Latest discussions of the proposed trans-Canada air mail service point to the possibility that the new company to be formed may be operated entirely by private enterprise without a share interest being held directly by the government. The original basis of discussion as reported in last week's Post provided for the federal government taking a 25% interest in the new company with 15% going to each of the two major railway companies. The remainder would be distributed among existing airlines, chief of which is Canadian Airways, Ltd.

The latest plan, it is rumored, and which awaits the return of Hon. C. D. Howe, minister of Transport from a western inspection trip for final O. K. is that the new company would be owned and operated jointly by the two railways and Canadian Airways Ltd.

Quebec Power Income Records Steady Advance

From Our Own Correspondent

MONTREAL. — Continued operation of the Murray Bay newsprint mill by the O'Donnahue Bros., combined with an improvement in the small power and domestic load, has enabled Quebec Power Co. to report a steady increase in gross and net earnings. Last year earnings were affected by domestic rate reductions, but it now appears that the company's gross revenue for 1936 will be higher than in 1934, while net income will be at about the same level. The smaller increase in net is due to higher taxes and other charges.

To the end of the third quarter last year Quebec Power had a gross income of better than $2.7 millions and a net available for depreciation and dividends of $640,862. On the basis of the returns for 1934, the first 9 months of 1936 should show a gross revenue of about $2,850,000 and a net income of better than $775,000.

Maintenance of this improvement during the balance of the year would assure Quebec Power Co. earning its common dividend of $1 a share by a wider margin than last year, when the company reported $1.07 a share.

New Wage Plan Costly to C.P.R.

From Our Own Correspondent

MONTREAL. — Operating costs of Canadian Pacific Railway Co. would rise approximately $7.5 millions during 1937 if running trades are successful in obtaining restoration of the 10% pay cut, The Financial Post learns. Total cost to all railways in Canada would be between $18 and $19 millions of which the C. P. R. share would be about $7.5 millions. The men have applied to Ottawa for a Board of Arbitration to pass on their case but the application has not yet been granted.

Company officials do not seem worried that the increase will be allowed. In view of drought and other setbacks that have occurred this year they feel there is nothing to warrant any such increase and that railway employees are even now in a relatively happy position compared with other labor groups.

They feel the request for a return to the basic pay schedule of 1929 has been made chiefly because of the insistence of union officials in the U. S. since the higher wage level has been operative there for some time.

Highlights

Empire Trade

Canada takes stock of results arising from Ottawa Agreements and the problems of their revision. First in a series of Canadian-Empire trade analyses. Page 11

Lieut.-Gov. "Archie"

Hon. A. P. McNab represents the King in Saskatchewan and shares His Majesty's dislike of swank. Page 8

Debt Act Disappoints

Farmers' Creditors Arrangement Act leaves trail of disappointments in wake of individual debt adjustments. Mortgage holders, merchants, would-be farmers hit. Revision suggested. Page 11

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Outline Plans For Defaults Near Toronto

Mimico Plan Ready To Be Submitted to Municipal Board

INTEREST CUT 20%

Proposals put forward by the fiscal agents for refinancing the debts of the town of Mimico, Ontario, which has been in default since March 1, 1933, have received the approval of the town council and of the debenture holders' protective committee. A synopsis of the plan has been sent to all registered holders of debentures.

Details of refunding plans for other suburban municipalities in the Toronto area have not been announced, but The Financial Post has obtained a brief outline of these.

Features of the Mimico plan are as follows:

(1) Debenture holders receive 100% of principal in new debentures.

(2) The term of all debentures is extended 5 years.

(3) Interest is to be paid on the new debentures at 80% of original rates from Jan. 1, 1937.

(4) Arrears of interest for the years 1933-36 are to be liquidated by a cash payment of 50% of original interest rates.

The above provisions apply to $1.3 millions of general debentures of the town, on which interest arrears total $206,915. Special provision is made by the plan for debentures of the town which are guaranteed by the County of York and the town of New Toronto. Debentures guaranteed by the county are outstanding to an amount of $195,960, on which there are no arrears of interest. These are to continue undisturbed, payment being made on the original basis.

As regards debentures guaranteed by the town of New Toronto to an amount of $216,511 and on which there is $32,310 of arrears of interest, no final disposition is made since that town is also in default and its refinancing scheme is not yet arranged. Meanwhile payment is to be made on these on account of interest as on the general debentures.

Below is given a statement of liabilities and current assets of the town as of Dec. 31, 1935:

	$
Current Assets	
Cash	232,070
Quick accounts receivable	45,452
Arrears of taxes believed to be collectible	149,182
	426,704
Liabilities	
Sundry creditors	3,726
Contractors on disposal plant construction	46,591
Debenture holders:	
Arrears of interest	239,226
Overdue principal	216,576
Unmatured principal	1,570,441
Prov. of Ontario housing loan ..	3,567
Bank—Current account	96,384
Capital account	159,802
	2,336,313

The amount of $3,726 owing to sundry creditors at the end of 1935 has already been paid in full.

Claim of contractors on the disposal plant construction is to be settled by payment in cash of 75% plus extras.

Settlement of Bank Loans

Current loans owing to the Bank of Montreal are to be paid in full in cash. On interest of $1,996 owing on this loan, there is to be a rebate of $1,216.

No disposition is made of the capital loan of $134,893, this being permitted to remain outstanding. However, new debentures are to be issued as collateral replacing unsold debentures. The interest rates of these debentures will be 80% of the original rate and the maturity date will be extended 5 years.

Mimico debentures are currently quoted at 69 bid, and on this basis a 5% debenture will yield 6.7% when all provisions of the plan are taken into account.

Can Withdraw

Accompanying the synopsis of the plan is a letter from the protective committee notifying debenture holders who have deposited their certificates with the committee that they have 20 days in which to dissent and withdraw their debentures from the depositary. In the case of withdrawal a charge of 1% of the principal amount of the debentures is being charged for expenses of the committee. Since the refinancing plan provides that the committee's expenses shall be paid by the town

(Continued on page 2, col. 1)

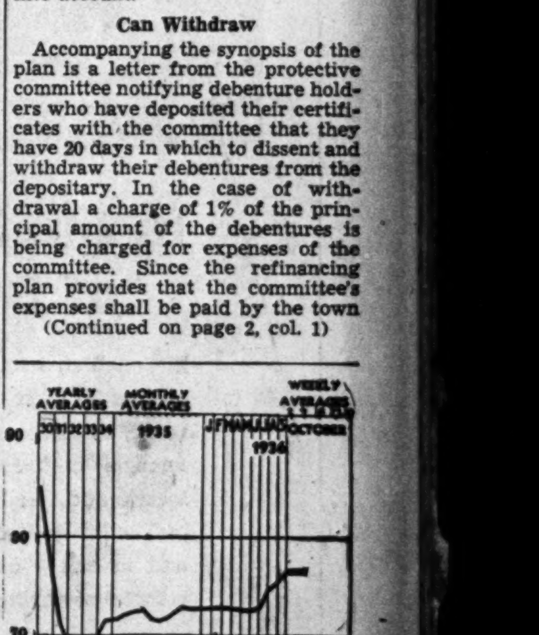

Chart by The Financial Post

PRICES UNCHANGED

Wholesale commodity prices were unchanged at 76.7 in the week ended Oct. 9, according to the index compiled by the Dominion Bureau of Statistics.

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These coats may be purchased on EATON'S Budget Plan if desired.

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

Outline Plans For Defaults Near Toronto

(Continued from page 1)

out of funds on hand, this 1% will be refunded if the plan is approved.

The letter states application is now to be made to the Ontario Municipal Board for an order approving the plan.

Members of the bondholders' committee included:

A. F. D. Lace, Confederation Life Association, Toronto, chairman; C. H. Burgess, Toronto; Dr. S. S. Dickinson, Port Hope, Ont.; C. H. Fitch, Hamilton, Ont; W. W. Foot, Kitchener, Ont.

Plans For Other Suburbans

While plans have been drawn up for some time for other Toronto suburbans, which are in default, negotiations are still proceeding. As yet the other plans have not been ratified by the respective councils or by the protective committees. The Financial Post has obtained from an unofficial but reliable source a brief synopsis of the plans for these municipalities. It will be recognized, of course, that the plans, as outlined below, are subject to change since the delay in approving the plans is due to certain features not being acceptable to either the bondholders or the respective councils. They embody, however, the recommendations of the fiscal agents. The tentative plans are summarized below:

New Toronto is to pay its obligations in full, including arrears of interest. There is to be no reduction in coupon rates, but debenture maturities are to be extended 3 years. This town has been in default of interest and principal since Jan. 1, 1934.

North York township is to be granted a 4 year or more extension of maturities, but otherwise to meet its obligations in full including arrears of interest. There is to be no reduction in coupon rates. The township has been paying only 3% interest on account since Feb. 1, 1935.

Etobicoke township is in default on principal only and is to be granted a 4-year extension of maturities. The full interest rate is to be paid.

Leaside town, which is in default on principal since Dec. 31, 1932, and on interest from July 1, 1935, is to get a 4-year extension of maturities but otherwise is to meet its obligations in full including arrears of interest.

East York township, which commenced paying only 3% interest on account on March 1, 1935, is to pay interest at the rate of 60% of the original coupon and is to have maturities extended for 6 years.

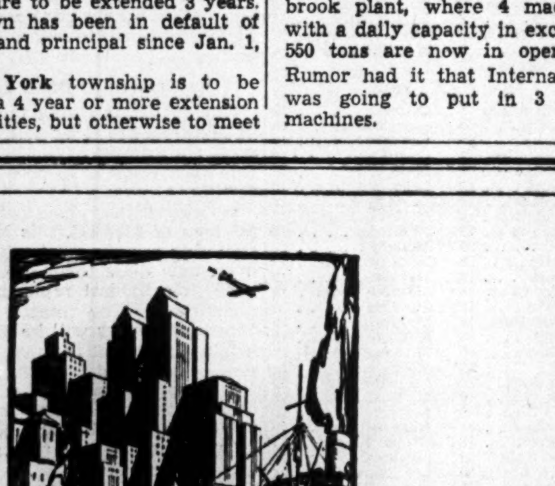
Scarborough township paid 4% interest on account in 1934 and nothing since. Interest is to be paid at the rate of 60% of the coupon rate and the term of the debentures extended 6 years.

Weston town is to pay the full coupon rate from Jan. 1, 1937. During the default period the town has been paying 3% interest on account. Arrears of interest are to be wiped out. Maturities are to be extended 5 years.

I. P. Denies Story Of More Machines

From Our Own Correspondent

MONTREAL. — Official denial is given to the report that International Power and Paper Co. of Newfoundland plans to install additional machines in its Cornerbrook plant, where 4 machines with a daily capacity in excess of 550 tons are now in operation. Rumor had it that International was going to put in 3 more machines.



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The Nation's Business

(Continued from page 1)

defence. Whatever induced it, it is a good statement of the present government's policy just as was Mr. King's statement on the reform of the League of Nations made the previous week in Geneva. But it suffers from the same defect that characterized Mr. King's speech. It emphasizes the things that Canada will not do, rather than the things that Canada will do. Both Mr. Mackenzie and Mr. King play up Canada's isolation and independence at a time when it is necessary for peace in the world that the British nations should present a united front.

It is not suggested that the Dominion should enter into a pact of mutual assistance with Great Britain and publish it to the world. For that matter, and despite the Statute of Westminster, a pact of mutual assistance may be implicit in the relationships of the British countries, even if it is not written in the words of any state document.

British statesmen in every part of the world should today emphasize the common interest of Empire countries, the unity of Empire thought on matters relating to peace and defense. Why Mr. King and Mr. Mackenzie had to choose this particularly critical juncture in the affairs of the world to shout from the housetops what everybody knows, namely that Canada is a self-governing Dominion, is very difficult to understand.

* * *

IF CANADA got itself involved in a war Great Britain would not be under any contractual obligations to come to our assistance. But yet it is not on record that the Prime Minister of Great Britain has made a speech at Geneva, declaiming at great length that Britain is not responsible for Canada's problems. And the British Minister of War has not issued a statement telling the dictators of Europe that Britain's defence plans do not embrace the self-governing Dominions in their scope.

The united British Empire is the world's chief promise for peace during the next year and a half while Britain arms herself to meet the possible aggression of maniac dictators. A word from either Mr. King or Mr. Mackenzie to the effect that Canada is a part of the British Commonwealth of Nations and is ready in the event of trouble to play nobly any rôle that such membership demands of it, would have been valuable at this time.

Quite incidentally it would also have been of aid to Mr. King and his ministers in their negotiation for renewals of the Ottawa Agreements with Great Britain and other Dominions. Truly Mr. King's and Mr. Mackenzie's statements are not going to help to prepare the ground for friendly agreement upon new treaties.

* * *

Cannot Afford To Lose Capital

AFTER initial denials of the reports, the Aberhart government now acknowledges that liquid capital in the form of bank deposits and securities is being moved out of Alberta. Government spokesmen, however, seem to suppose this flight of capital is due to false rumors and that the confidence that the Aberhart administration has destroyed can be restored by making statements contrary to the facts.

Hon. E. C. Manning, Provincial Secretary, Minister of Trade and Commerce, and youthful right hand man of Premier Aberhart, is reported as saying, for instance, that the Alberta government is opposed to confiscation in any form; that the government does not propose to take from the "haves" to give to the "have nots." He is quoted as stating further:

> "If deposits and securities are leaving the province it is not because of any action or any statement of the government, as we have constantly said we have no thought of confiscation . . . We have constantly stated in and out of the legislature and have indicated in our legislation that we wanted to save the principal although we were cutting interest."

The fact is that the Aberhart government has undertaken to mulct bondholders of the province of about $3 millions annually. It may only be coincidence that it has been proposed to pay an initial social credit "dividend" of approximately the same amount. Is this not taking from one group to give to another?

The arbitrary action of the government has depressed Alberta bonds to 60% or less of face value! Is this saving the principal for the bondholder who requires funds?

* * *

IT IS also a fact that the government has enacted a law that all interest collected on debts since July 1, 1932, on debts created prior to that date is applicable to principal. This simply means that those who have to depend on mortgage interest for their sustenance are now told that they have been living on principal. How does this protect principal? Does it not reduce the principal owed by debtors? It certainly takes from the "haves" to give to the "have-nots."

* * *

THE Aberhart government is laboring under a dangerous delusion in supposing that people are sending negotiable wealth out of Alberta purely because of false rumors. They are sending it out because they fear the government will confiscate it, just as it has done with other peoples' income and values.

The transfers of cash and securities that have been reported are not very important in themselves except as indicating a state of mind. But if the actual transfers which have so far taken place will not of themselves do much harm to Alberta, the flight of capital from that province, of which they are forerunners is something that is bound to do a great deal of harm to Alberta.

Fear and uncertainty are states of mind that Premier Aberhart's actions have created, and until they are removed the consequences to the province will be increasingly serious.

Power and experience have not only failed to educate the Aberhart ministers, but have made them, if anything, more dangerous to anyone with property. The Dominion government must soon be forced to recognize that the present Alberta government is a confiscatory one. It is the duty of the Dominion to disallow those Alberta laws that destroy private property. Otherwise the continued "education" of the Aberhart group leads close to Communism.

Would Change Lake St. John Stock Control

(Continued from page 1)

trol from St. Lawrence Corp. which owns over 99.2% of the old stock.

New Capital Set-up

Capitalization under the rearrangement provides for the following changes:

- 20% increase in the face value of the first mortgage debt;
- 25% increase in the face value of debentures;
- 50% reduction in issued preferred stock; and
- No change in the number of issued common shares.

This gives the company the following capital:

5½% 1st mortgage bonds	$5,652,600
5% income debentures	3,527,500
6% non-cum. preference	1,800,000
No par value common	100,000 shs.

An important feature of the new plan is the doing away with the three-way payment of bond and debenture principal and interest. The new securities will pay Canadian funds only on principal and interest.

Distribution of Equity

The manner in which the common stock is distributed among the security holders follows:

Distributed to:	No. of shares
1st mortgage holders	9,421
Debenture holders	14,110
Preference holders	*51,469
Common holders	25,000

*Approximate.

Reduction in Charges

At first glance the capitalization of arrears would appear to add to the interest burden carried by the company, but the reduction in the coupon rate offsets the increase in principal. Further the common stock is brought appreciably nearer to dividends by cutting down the preferred as will be seen in the table of charges:

Interest and Dividend Charges

	On new basis $	On old basis $
First mortgage interest	310,893	306,183
Debenture interest	176,375	183,430
Total interest	487,268	489,613
Preferred dividends	108,000	252,000
Total charges before dividends on common	595,268	741,613

Strengthen Balance Sheet

The plan if accepted, as is likely to be the case as the junior security holders and a number of the large bond and debenture holders favor it, will strengthen the company's financial position through elimination of heavy liabilities in respect to arrears of sinking fund on the debt; arrears of interest on both the first mortgage bonds and debentures; and accumulated arrears of dividends on the preference. In the aggregate these arrears run into millions.

The new set up brings capital charges in line with earning power. For the next 5 years the company's immediate concern is to pay interest on the first mortgage bonds. There should be no particular difficulty in doing this in view of the improvement in earnings. Last year Lake St. John had a net income after depletion of $537,538 and over $316,000 after setting aside $219,079 for depreciation. Current income is understood to be running at a higher level.

Nova Scotia Minerals

The first 6 months of the year brought Nova Scotia more than $10 millions from its mineral beds. Most important item was coal at $9,853,497.

Ont. Govt. Opens Door For Pulpwood Exports

(Continued from page 1)

poses in 1935 and about 1 million cords exported to the United States. This has been mainly from patented lands in the past. The total cut in Ontario exceeds 1 million cords annually.

800 Licenses Granted

About 800 licenses have been granted this year to operators to cut pulpwood from Crown lands. These vary in size from 1 square mile to blocks embracing several hundreds of square miles. They go directly to pulp and paper companies, to jobbers who sell to pulp and paper companies, to contractors who sell to jobbers and in 1936 as well to contractors and jobbers who sell for export. There are as well thousands of permits given to settlers for small quantities of wood for their own use or for sale to local markets. The permits are usually for isolated blocks which do not attract those who need large quantities of wood. These larger areas have been usually put up for public competition by tender. Premier Hepburn states that better results are being obtained by issuing annual contracts without tender.

Declaring that former methods of administration were farcical, Premier Hepburn told of one case where limits had been sold for $1 million, the province realizing $10,000. In another case limits had been sold for $5 millions and the province had realized $25,000. A promise to build a mill was all the province got out of another limit sold at a huge price. The Premier said the Government would never again allow timber limits to get tied up as in the past. Their policy was to "open up timber operations by taking away limits from people to whom they should never have belonged."

Minimum Cord Cost $7

The dues on cutting of pulpwood in the year ended March 31, 1936, are not overdue until after October 31, 1936, and so full reports of last winter's cut cannot be obtained until the coming Winter. Statistics therefore lag from 6 to 12 months behind the event. Except from patented lands from which pulpwood has always been available for export throughout the Dominion, very little has been exported in Ontario or elsewhere from Crown lands until last winter. There will be more still in the coming winter but that data will not be available until late in 1937.

Mr. Hepburn claims that under the export ban millions of cords of wood came up the St. Lawrence River annually headed for American mills. He says this wood came right past great acreages of Ontario timber which were rotting. He claims that as a result of his change in Ontario policy, the timber situation is perhaps the brightest spot on the horizon. Critics of his policy say that the brightening has occurred "in spite of" his change in policy and that improvement would be swifter under an export ban.

Abitibi's pulpwood is drawn about one half from Crown lands. Great Lakes Paper Co. has its own limits but has been buying wood cut on Crown lands almost altogether. Minnesota and Ontario has no limits at all, and buys nearly all its wood from Crown lands. The only advantage in having limits is that it protects a company in case of shortage of supply. All the companies are forced by public policy to buy suitable wood offered from settlers within their respective areas at competitive prices.

At the head of the lakes and practically all along the north shore of Lake Superior there are not many settlers. Most of the wood in such cases only comes from the Crown lands.

The total area of Ontario is 264 million acres and outside of southern agricultural area is 221 million acres. One can exclude from present discussions nearly 121 million acres inaccessible, covered by water or being developed agriculturally. On the remaining 100 million acres there are 180.6 million cords of spruce, 25.8 million cords of balsam and 79.1 million cords of jack pine, a total estimated yield of 285.4 million cords of pulpwood. This includes spruce at least 4 inches in diameter breast high and 6 inches for balsam and jack pine. A cord contains 85 cubic ft. of solid wood. In addition, estimates show 7 billion board ft. of red and white pine of 8 inches minimum breast-high diameter.

It will be seen from the accompanying map that nearly 40% of Northern Ontario lands do not carry forest growth. There were 13.6 million acres under timber license and 34 million acres under pulpwood license back in 1931. There has not been much change in later years.

Dosco Utility To Finance

MONTREAL.—Nova Scotia Board of Public Utilities has authorized the Seaboard Power Corp. to market $800,000 of bonds.

The bonds, for which Wood, Gundy & Co. has offered 97.50, mature in equal annual installments of $100,000 each, bear interest at the rate of 3½% for the first maturing $400,000 and 4% for the remaining $400,000.

Purpose of the issue is to pay back $530,000 to Dominion Steel and Coal Corp., which advanced the money to build the main power plant at Glace Bay, and to expand $270,000 for the installation of an additional generator in the Seaboard plant.

Seaboard Power is a subsidiary of Dosco.

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Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Atlantic Sugar Refineries	Oct...	Royal Securities Corp.	2½ & 3%	Ser.	$500,000	*100	.....
			4%	15-yr.	1,500,000	....	.....

*Offering price.

Flour Exports During September

Wheat exports continued in substantial volume in September and at a rate 20% higher than in the same month last year. Flour exports continue in small volume, however, the September total being 4% less than in 1935.

Summary figures for the week follow:

		—Change— From prev. period %	From prev. year %
Monthly	September		
Footwear prod., prs.*	2,002,895	+ 20	— 8
Wheat flr. exp., bbls.	278,318	— 2	— 4
Wheat exp., bush.	20,720,316	— 2	+ 20
Weekly			
Car loadings, No.	60,278	+ 0.7	+ 3
Cattle sales, No.	27,819	+ 15	+ 1
Hog sales, No.	25,457	+ 26	+ 68

*August.

Shawinigan's Earning Power Keeps Rising

(Continued from page 1)

adding appreciably to the power load.

An encouraging feature of the large power demand is the marked movement from secondary to firm power load. This adds substantially to revenue, owing to the better price received for firm power.

In the domestic field the company has been able to record further expansion this year. This branch of activity accounts for only a minor share of kilowatt sales, but the dollar revenue is important to the company. Plans for the current year provide for the extension of the retail distribution system by about 100 miles.

Operations of the company's chemical subsidiary have been well maintained. Both output and earnings are expected to be higher than in 1935. For years past Shawinigan has carried out a great deal of experimental work with carbide and its derivatives, with the result sales have grown materially with the business recovery. While power sales are important, amounting to 25,000 to 30,000 h.p. annually, Shawinigan has taken out very little revenue from this subsidiary, preferring to use surplus earnings for improvements and further development work.

Improvement has been recorded in other directions. Quebec Power Co., in which Shawinigan holds the controlling interest, has reported a betterment in earnings and the dividend of $1 a share is amply covered. Saguenay Power Co., in which Shawinigan holds a 20% stock interest, has paid 2 dividends of 60 cents each for the year to date, providing the company with a revenue of just over $50,000. Its holdings in other corporations have strengthened and revenue from investments should be higher this year than in 1935.

More Talk of Dividends

The continued improvement in Shawinigan's earnings and finances has renewed "Street" interest in a further increase in the common stock dividend. During the period of declining revenue and in order to conserve cash resources to complete the Rapide Blanc development, at a time when public financing was difficult and expensive, the company reduced the dividend to 50 cents a share. This proved constructive and when major capital expenditures were over and earnings started upward, the dividend was advanced to 60 cents a share. More might have been paid without weakening current position, as earnings in 1935 were equal to $1.17 a share. With no major capital expenditures in sight and earnings increasing, a higher dividend is talked about, but the company has shown no indication of increasing the disbursement on the common stock.

Huether Co., Kitchener, Becomes Blue Top Brewing

Huether Brewing Co., of Kitchener, Ont., has changed its name to Blue Top Brewing Co., Ltd.

No change has occurred in the financial structure, the personnel of the board of directors or the management of the company. The company's products are being marketed under the brand "Blue Top" and the company's name has been changed to accord with the brand name.

Saguenay Power Pays on Common

From Our Own Correspondent

MONTREAL. — Aluminum Co. of Canada and Shawinigan Water and Power Co. stand to benefit from dividends paid by Saguenay Power Co. this year. So far the company has paid 2 dividends, each of 75 cents, the last one September 30.

Saguenay Power has outstanding 210,000 shares, of which 53% are held by Aluminum Co., 20% by Shawinigan and the balance by private interests. On this basis Aluminum has received from its holdings about $183,000 and Shawinigan $63,000.

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Gold Movement To Supplement Exchange Pact

Should Tend to Iron Out Exchange Fluctuations

BENEFIT TO TRADE

The "Big Three" in the financial sun—Great Britain, United States and France—have advanced a further step in their programme to make the world safe for trade.

Having alowed 2 weeks for the implications of the stabilization agreement of late September to work themselves out, these countries this week announced a supplementary agreement by which gold may be shipped between them.

Significance of the new arrangement is mainly as a practical measure by which the general agreement will be facilitated. Other than stating that fluctuations of exchange would be limited by operation of stabilization funds, the previous agreement had left the mechanics of actual smoothing out up in the air. Exchange fluctuations could be controlled only through purchases and sales of currencies by the stabilization funds. Gold shipments—a feature of the former gold standard—were outlawed in the United States by a provision which limited shipments of gold to countries which would ship gold to her. After the gold bloc countries devalued, this left Belgium as the only country to which shipments could be made. Devaluation also left France with a virtual embargo on gold exports.

Restricts Variation

Thus, the only method by which Great Britain, for instance, was able to convert dollar balances was by selling dollars and buying pounds. This operation would naturally tend to strengthen sterling in terms of the dollar, and upset any equilibrium in exchange rates.

By the new agreement, holdings of any of the 3 countries in the other 2 may be actually converted into gold, and may be shipped out of the country whose currency was held. Thus accumulation of currencies in the countries affected can be readily cleared up without affecting exchange quotations.

It should be kept in mind, however, that this provision applies only to funds accumulated through operations of exchange stabilization funds. Ordinary business transactions will be carried out by the banks, as usual, and the banks will still have to dispose of their holdings on the open market.

Well-planned Move

Some observers have attributed the gold agreement to lack of confidence following weakness in sterling exchange. It would appear, however, that the decline in British currency was premeditated. The pound has been considered overvalued in relation to the dollar for some time, and devaluation of the gold bloc was utilized to bring it more into line.

Rather, the move shapes up as another development in a well planned and equally well executed attempt to arrive at a more stable basis for exchanging goods. If other countries follow the lead of the "Big Three"—they have been invited and will likely accept—the world will be well on its way to a new monetary system.

Just what that system will be it is still too early to prophesy. This week's announcement has strengthened the belief that gold will still be a basic factor. It has also emphasized that return to a modified gold standard would be on a very different basis; that the leading nations will not commit themselves to anything nearly as rigid as the former system.

Hinges on "Benefits"

Under the new agreement, each of the 3 governments has simply agreed to sell gold to the stabilization funds of the other 2 at a price which will be announced daily. This price will not influence the domestic price of gold. The agreement—like its predecessor—is tentative. It is rather precariously balanced on "advantage" to all countries concerned. Theoretically, at least, it can be upset on 24 hours notice if it fails to work to the benefit of any."

It is distinctly a constructive development. By consolidating the advantages of the general agreement announced previously, it should exert a most beneficial effect on world trade. Speculation in foreign exchange markets should be reduced to a minimum. Further, it should facilitate the movement of capital—particularly that from the United States to Europe.

Officialdom at Ottawa is reported to beam on the agreement, but no word has been forthcoming as to whether or not Canada will accept the invitation of the power to cooperate.

Morganthau Statement

In explaining the agreement, secretary of the United States treasury Henry B. Morgenthau made the following statement:

"The level of foreign exchange between the United States, Great Britain and France may be compared to that of a triangular plane. Each corner rests on a foundation—a stabilization fund. Each country operates a stabilization fund to equalize its own currency by buying and selling exchange in terms of other currencies.

"No country wishes through these operations to accumulate too much paper currency of other countries. Therefore, we propose to permit each country to convert the paper money of other countries into gold, the price being fixed each day.

"This represents a divorcement of control of the foreign exchange market from a few individual international speculators. Responsible governments of the people will now co-operate to assure a minimum exchange fluctuation.

"Businessmen with merchandise to sell abroad or businessmen who are importing merchandise will be free to operate through their respective banks in regular and normal exchange operations. The international speculator, responsible to no one and recognizing no flag in conducting his business, will not in the future be able by rapidly shifting his funds from market to market to reap private advantage through stimulating chaos in foreign exchanges."

Whither Parities?

The major question yet unanswered in the international money sphere is the relative parities of the various currencies. It is perhaps too soon after the French devaluation to make any prediction on this score. However, shrewd observers are of the opinion that the dollar-pound relationship—the crux of the problem—will approximate the predepression parity of $4.86 to the pound. Current quotations hover about $4.90.

PAPER DIRECTOR

Jean Paul Rolland, who has been elected a director of the Rolland Paper Co.

Regent Knitting Sets Out Plan

Bring Value of Fixed Assets in Line With Present-Day Worth

From Our Own Correspondent

MONTREAL. — Regent Knitting Mills has called a meeting of shareholders for October 20 to consider and, if approved, confirm By-law 33 passed by the board on September 22 for the purpose of reducing capital of the company.

This by-law provides for a reduction in the book value of the company's 65,009 shares to $780,108 or $12 a share. This is in contrast to a value of over $1.2 million shown at the end of last year.

In a letter accompanying notice of meeting, C. G. deTonnancour, president and managing director, states the proposal has for its objects the lowering of the book value of the company's fixed assets to a level more in line with present-day worth, and the elimination of accumulated deficit, both aims to be achieved by a reduction in the book value of the common stock.

The letter concludes with the statement that "the marked improvement in the company's earnings during the first 9 months of 1936 gives grounds for the belief that the report for the full year will be eminently satisfactory to the shareholders."

A balance sheet is also submitted showing the position as at December 31, 1935, both before and after the proposed revision. On the assets side the only change is in net value of fixed assets, which is reduced from $1,267,235 to $881,513. On the liabilities side, the book value of common stock is reduced from $1,205,901 to $780,108, a deficit of $10,530 is eliminated, and a reserve of $29,543 is set up for capital losses, reorganization expenses, etc.

Uniform Act Will Not See Much Change

Foster Stresses Stability of Insurance Laws

"10-YEAR PLAN"

That Canada is entering on her second "ten-year plan" in respect of life insurance legislation was the opinion expressed this week by R. Leighton Foster, general counsel, Canadian Life Officers Association. speaking to the annual meeting of the legal section of the American Life Convention at Dallas, Texas.

"The original Uniform act was in force in 8 of the 9 provinces of Canada for upward of a decade without change, except for one minor amendment," said Mr. Foster. "During these years numerous amendments were proposed in the several provinces but all were successfully resisted with the plea that the Act was a Uniform Act, that all provinces had informally agreed not to amend it without prior conference with each other, and that all proposed amendments could best be considered at the annual meetings of the Insurance Superintendents conference.

Ten-Year Plan

"Some of the amendments effective this year had been before the conference for upward of 5 years. Now we have entered a new period, or what might be termed a second 10-year plan. It is the expectation of the superintendents of insurance and the companies alike that the revised Uniform Act will prove satisfactory and can stand unchanged for another 10 years.

"All proposed amendments will, it is hoped, be brought first before the standing committee on life insurance legislation of the Insurance Superintendents conference. There they will be discussed and revised and, if tentatively or otherwise approved, laid on the shelf awaiting the day when they are sufficiently numerous or pressing to require that they be recommended for enactment. If this plan is followed, there is every reason for confidence that stability and uniformity in the Canadian law respecting beneficiaries can continue to be successfully maintained.

Dollar Payments

In discussing legal aspects of Canadian insurance law. especially as it affects beneficiaries, Mr. Foster drew attention to the important amendment passed at Quebec in July this year to clarify the contentious problem of currency payment which came to the fore especially in 1932 when there was a sharp variation in exchange rates between Canadian and U. S. dollars.

Mr. Foster pointed out that the original Uniform Act provided that "insurance money shall be payable in the province in the lawful money of Canada" without undertaking to define the currency in which payments were to be made under life policies of United States companies on the lives of persons resident in Canada.

"In other words our act did not undertake to say whether the expression 'dollars' as used in such policies meant United States dollars or Canadian dollars, so that when U. S. dollars went to a premium of more than 20% there was room for plenty of trouble."

Legal History

An early decision (1921) was cited by Mr. Foster to show that the courts, prior to enactment of the Uniform Insurance Act, had interpreted the Canadian law as giving claimants the benefit of a premium on U. S. funds.

Then for 10 years the matter lay dormant until the exchange difficulties of 1931-33 arose. The matter was brought to a head by a court action in 1934 which went to the Supreme Court of Canada, who reversed the original interpretation by holding that "payment in Canadian dollars to the number of dollars provided in the policies was sufficient to discharge the company's obligation."

New Amendment

"These decisions, coupled with the fact that by 1934 the Canadian dollar had returned to par and sometimes, indeed, a little better, paved the way for an amendment to the Act which would settle the question for all time. The amendments to the Uniform Act passed this year include a section which provides in every contract, whether the contract by its terms provides for payment in Canada or elsewhere, amounts expressed in dollars shall mean lawful dollars of Canadian currency, unless some other currency is specifically provided for in the contract.

"In this connection you will be interested to observe that this new clause applies not only to all contracts made in the province after July 2, 1936, but also to all contracts made in the province before that date where such contracts had not previously matured."

Beauharnois Light Earns 1.7% on Debt

Revenue from Hydro Contract Would Have Covered Interest

From Our Own Correspondent

MONTREAL. — Net income of Beauharnois Light, Heat & Power Co. for the first 6 months of 1936 amounted to $560,471, according to an official announcement made by the company. This was equivalent to 1.7% on the $33 millions of outstanding first mortgage, sinking fund, 5½% income bonds, series "A." The amount of the net was arrived at in accordance with the regulations for determining incomes set forth in the trust deed covering the issue.

During the period, had the company received the sums due from Ontario Hydro, earnings would have covered the full 2¾% interest requirements on the issue by an ample margin. However, no revenue has been received from Hydro since November, 1935.

Quebec Construction

Construction contracts in Quebec city increased from $55,080 in August, 1935, to $66,307 in August of this year.

Quebec Puts Foot Down On Further Pulp Expansion

From Our Own Correspondent

MONTREAL.—Quebec will not issue a permit for construction of a new pulp mill until existing mills are in operation. This was the view expressed by Premier Duplessis to representatives of certain interests who waited on the government with a view to receiving encouragement for the building of a rayon pulp mill.

"I pointed out," said the Premier, "that there were a number of mills, such as at Chandler in the Gaspé Peninsula, at Ste. Anne de Beaupré, at Cap de la Madeleine and at Chicoutimi, which were not in operation. It will be noted that there is a wide range of locations in which persons who wish to establish themselves in the newsprint and pulp industry can do so without it being necessary to build new mills. Until these mills which are not in operation are reopened, we will not permit additional plants.

"Furthermore," added the Premier, "we will not permit increases in the capacity of existing mills. We believe that there has been serious overproduction, and this brought about the disasters which visited this important industry; and to favor the construction of additional mills, or to increase the capacity of those now existing, would be only to add to the serious state of overproduction which has resulted."

Fight to Control Chemical Research

Shareholders' Group Criticizes Management Methods

Chemical Research Corp. may be due for a shake-up soon and certainly a contest for control is imminent. Shareholders are being circularized by Col. T. W. MacDowell, Montreal, Eric B. Johnston, Toronto, Reuben J. Ravell, Samuel L. Charney and Allan H. Hudson, all of Toronto, to the effect that it would be most unwise just now to re-elect the president, secretary-treasurer and any other officer of the company at the annual meeting to be held in October.

The circular states a bill of complaint has been filed in the United States courts making charges against the company, its president, secretary-treasurer and a number of the Standard Oil group. Actual charges are not mentioned.

The circular also criticizes the way in which the affairs of the company have been handled in the past. It has been "practically impossible to secure any definite knowledge of the activities of the officers or to obtain information as to the actual status of the Corporation." There has been only one dividend distribution and claim is made that patents have been freely used without compensation to the company.

Toronto Exchange insists the annual meeting shall be held in October under pain of delisting if it is not done.

Vancouver Builds Many More Homes

Almost twice as many homes have been built in Vancouver this year as for the same period, the first 9 months of 1935.

A total of 715 permits, valued at almost $17 millions, have been issued to date, compared with 417, valued at $843,000, for the first 3 quarters of 1935.

Increased home building is noted in Vancouver, West Vancouver, North Vancouver District, New Westminster and Burnaby. Though some seasonal falling off was shown in September the expansion in home building is continuing, with permits running about double of those of the fall months of last year.

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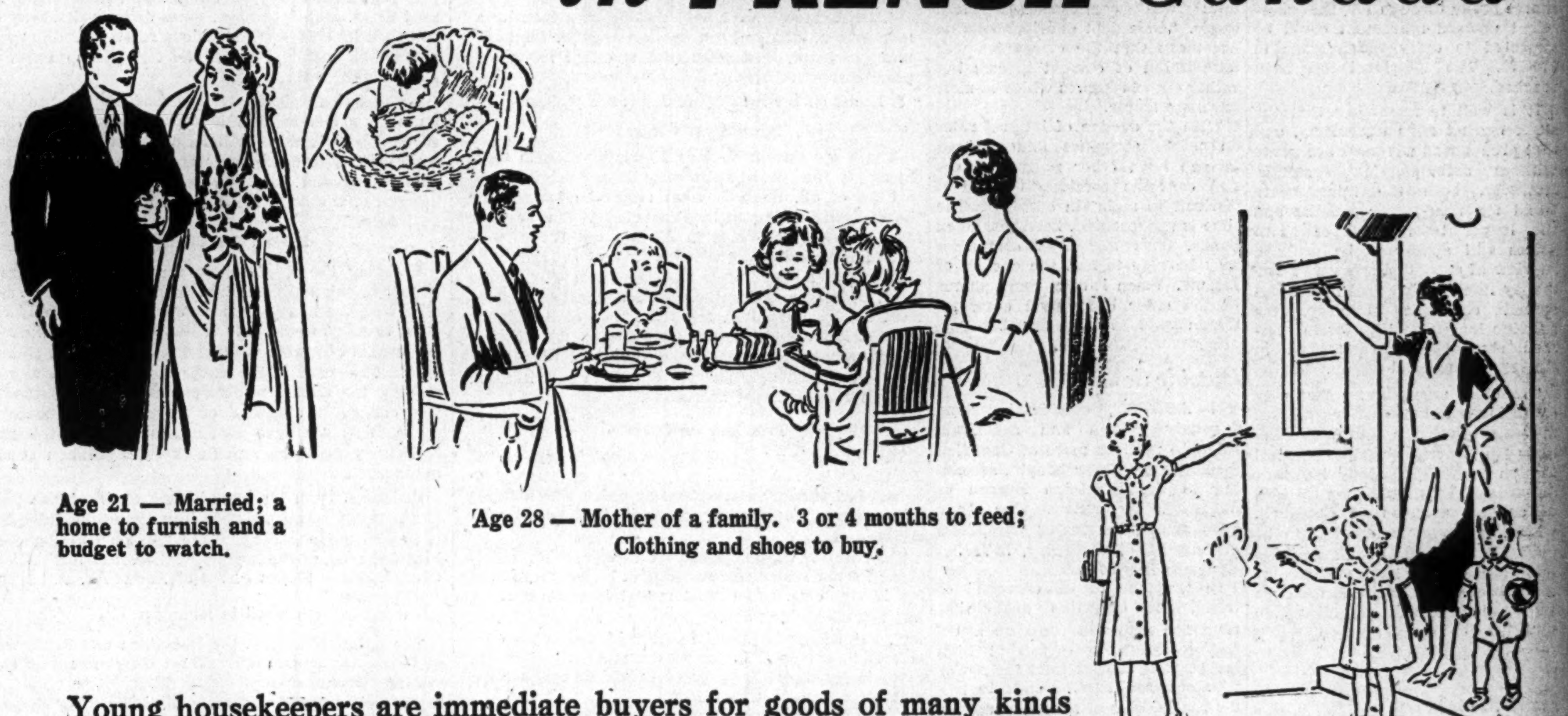
EXECUTORS TRUSTEES • FINANCIAL AGENTS

MARKETS BEGIN AT 21 in FRENCH Canada



Age 14 — a hearty consumer but not yet a buyer.

Age 21 — Married; a home to furnish and a budget to watch.

Age 28 — Mother of a family. 3 or 4 mouths to feed; Clothing and shoes to buy.

Young housekeepers are immediate buyers for goods of many kinds — not only home furnishings but everything that goes to establishing a home..... a period of new spending.

The FRENCH Canadian girl marries in her early twenties. You may have 10 years of her business before the woman of another language marries and does the marketing for her own home.

10 more years of shopping expeditions for meals, clothing and shoes... supplies of all kinds for her household. Monsieur and Madame are interested in labour-saving devices, radios, autos.

The family grows and grows... not only in stature (small clothes are soon outgrown), but in numbers... more mouths to feed... more of everything needed. Her children marry young, too, and she is able to help them in choosing what shall be bought for their new homes. Her influence goes steadily forward — on into the years.

That is why we say "Markets Begin at 21 in FRENCH Canada". The pictures tell a real merchandising story.

Age 35 — How the family has grown! Her first child is now about 13.

Age 42 — First marriage of children. Another household starting now.

Age 49 — 3 or 4 still at table. And 3 children have their OWN nests, in which mother is a decided influence.

Age 56 — A grandmother now, maybe keeping house for just grandfather, but multiplied families mean multiplying sales.

The woman who marries at around 30 probably influences only one home at 55.

Government figures support this picture of the French Canadian families that "Begin at 21". Since 1901 the FRENCH in Canada have increased in numbers 77.5% and only 1% of this increase is by immigration from France. The rest has been by multiplication of families — an important factor to the merchandiser.

For instance, the census of 1881 shows Montreal and the towns now in the Metropolitan Area as having 127,959 FRENCH. Today the FRENCH in this same area numbers 614,642.

MONTRÉAL MARKET DISTRICT
1,996,255-72.8% FRENCH
With an Annual Retail Buying Power of $584,048,400

This FRENCH Market responds excellently to sales and advertising plans fitted to its needs. The facts presented in these announcements are compiled from Government and other authentic sources by the Montreal La Presse as part of its service to manufacturers and others who wish to develop to the utmost the trade possibilities of this important section of Canada's population.

For further information address the Business Manager, La Presse, Montreal or

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The Clougher Corporation Limited, 26 Craven St., London, W.C.2
William J. Morton Co., New York Office: 200 Fifth Ave., Chicago Office: 410 N. Michigan Ave.

MONTREAL MARKET District
Population 1,996,255
French 72-8%-1,454,380
To Quebec
Grand Mere
Shawinigan Falls
Cap de la Madeleine
Three Rivers
Louiseville
Nicolet
Victoriaville
Ste. Agathe
Berthier
Joliette
Yamaska
Drummondville
St. Jerome
L'Assomption
Montebello
Brownsburg
Terrebonne
Verchères
Buckingham
Masson
Lachute
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OTTAWA
Rigaud
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Magog
Lennoxville
Chateauguay
Beauharnois
St. Johns
Farnham
Waterloo
Cowansville
Coaticook
Valleyfield
Ormstown
Huntingdon
Bedford
Stanstead
Detail Map of GREATER MONTREAL
N

YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Investment Trends

Improved Business Support for Stocks

Share Averages Reach New Highs Following Currency Devaluation by Gold Bloc — American Election and European Tension Main Uncertainties

Broad general rise of share prices since September 25 might be termed the "devaluation" advance. From the time of announcement of currency devaluation by gold bloc countries stock prices have been stronger than at any time this year.

Brokers' borrowings on stock exchange securities continue small, indicating that many current dealings are for cash and that there is little inclination to over-speculation despite the rising prices of the past 3 years. That is, there is plenty of public speculation, but it is largely on a cash basis so that there is little danger of a protracted slump on this score.

Sentiment toward Quebec utilities is growing more favorable, and expectations that utility shares would eventually follow the rise of other shares are being realized partially.

Retail business continues good in Saskatchewan and particularly in Manitoba in comparison with last year, due largely to increased returns from the smaller, but higher grade, wheat crop. Consistent improvement in business reports accounts for part of the strength of stock markets.

How High?

SOME time ago it was stated in The Financial Post that the Montreal Stock Exchange index for industrial shares would probably break 80 this year, that the Toronto Stock Exchange index would do well to reach 150. This has been accomplished. It was also suggested that if the Dow-Jones averages for Wall Street industrial shares broke through 170, the subsequent upward movement could be expected to carry the average to 175-185. The 175 level has been reached.

It is well to remember that the stock market rises irregularly, and that pronounced advances are never without accompanying reversals. However, both the intermediate trend for near-future months and the longer term trend of share prices still appear to be upward. In view of expanded credit and low money rates, accompanied by widespread economic recovery, the genuine long-term investor in common shares appears justified in staying on the band wagon.

The chief uncertainties that may cause interruptions in stock market movements are the American elections in November and political tension in Europe. Many investors and financial groups dislike the idea of another 4 years of Roosevelt, which, however, is believed to be probable. Current stock market optimism, which is due partly to the rise of prices, includes the hope that the Roosevelt administration will become more conservative if returned to office.

* * *

Base Metals

THE view expressed for some time here that the cream is off the bull market in established gold stocks appears to be spreading. The reason is that the price of gold, if fixed indefinitely at $35, leaves little room for further expansion of income by well-established gold producers. Consequently there is a tendency for mining investors who follow economic trends to place funds in base metal shares.

* * *

Oil Retailers

FOR years there has been discussion of the value of real estate owned by major oil companies for retail service stations. Its real worth may now be established by the plan of leasing to individual operators.

Refining companies like Imperial, B. A. Oil, McColl-Frontenac, and Canadian Oil, are expected to be able to maintain income under the new arrangements. Companies that are purely retailers, however, may feel competition because of the loss of stability formerly furnished by uniform marketing policies of major companies.

* * *

Financial Firms

WHILE major trust, loan and insurance companies have set up reserves to take care of such debt adjustments as that in Saskatchewan, the new Alberta debt laws will occasion substantial losses. These debt developments do not mean that the companies will take it out of current income but rather out of reserves which in most cases are ample.

With the decline of interest rates on prime securities and reduced income from other sources, financial concerns continue to find it difficult to maintain earnings. The time is approaching, however, when banks, trust and loan companies may be able to halt the decline of income. When it does come, shares of the older established organizations should be more valuable.

* * *

Outside Sellers

IN AUGUST, outside investors, mostly British and American, sold $8.4 millions more of Canadian securities than they bought, according to the Dominion Bureau of Statistics. Americans, who have been among the major purchasers of Canadian investments, have become the largest sellers.

In the face of this reversal of trend, the Canadian dollar has remained firm and Canadian bonds and stocks have stayed at high levels. This demonstrates the power of absorption here. Funds to pay for the imports of securities appear to come chiefly from increased wheat marketings, tourist trade and record gold and newsprint exports. The effect of continued sales from outside, however, might be either to depress the Canadian dollar or to weaken Canadian securities, particularly bonds, or possibly both.

* * *

Gold Standard

THIS week's international currency agreement amounts to stabilization of the dollar, pound and franc at approximate current levels. Instead of just buying and selling currencies and holding paper credits, the governments have arranged to settle their dealings in gold. This is the equivalent of a gold exchange standard.

Undoubtedly currency stabilization should tend to improve international trade. This, in turn, may be inflationary, due to broadening of markets for commodities. In the long run the arrangements should tend to widen the firm foundations of economic recovery, thus contributing to strength of share prices.

Alberta Debt Law Fantastic

Unmasking the inequalities in radical debt adjustment legislation, important changes have just been made by the Alberta Government in its Reduction and Settlement of Debts Act passed a few weeks ago.

Modifications in the law have been made by an order-in-council announced by Hon. Ernest C. Manning, youthful Minister of Trade and Commerce in the Aberhart Social Credit Cabinet. They do not moderate the law, but rather aggravate and demonstrate its intentional discriminations.

Features of Act

The original act provides that for debts created prior to July 1, 1932, all payments made after that date are applicable to principal, thus eliminating 4 years' interest, and allowing future repayment of principal without any interest. For debts originating since July 1, 1932, the maximum interest rate collectible is 5%, and all payments at any higher rate are applicable to principal.

Unless the borrower, out of his own honesty and the goodness of his heart, willingly pays, without recourse to this law, the creditor is barred from collecting in Alberta courts.

Four Exclusions Made Now

The order-in-council passed last week changes the debt act so as to shut off any escape from 5 types of debt in Alberta, as follows:

1. Debt owing by those residing outside the province.

2. Debts payable under judgments or court orders made in connection with divorce, judicial separation, alimony, or any preceedings under the Domestic Relations Act.

3. Debts owed by corporations in respect of issues of debentures, bonds or certificates.

4. Debt created after Sept. 1, 1936, as a loan by a mortgage lender or by a vendor of land, for payment of taxes, seed grain, fire and hail insurance premiums or repairs.

5. Loans on the security of insurance policies.

Meaning of Changes

There are certain obvious discriminations in these changes in the law, but also some deeper subtleties.

First of all, there is what might be termed the "heads I win, tails you lose" provision. The outsider must now pay his debts in Alberta but is still prohibited from collecting his due in that province.

The further inference is that the Aberhart Government, while supporting the escape of the local debtor from his local creditor, takes the part of the lender when it is an outsider who owes the money. That is the government is recognizing the right of Alberta creditors to collect what is owing with full interest, but not from resident borrowers.

Premium on Divorce

Then there is a "hurrah for divorce" feature in the change of law. A divorcee is now to be allowed to collect full alimony as awarded by court, which seems fair enough. In startling contrast, however, is the widow's case.

The widow who depends on income from mortgages for her sustenance still cannot collect more than 5% in any case, and cannot collect interest at all if her mortgages are dated prior to July 1, 1932. In fact, the widow is placed in debt for receiving such income in the past. In the Aberhart school of credit, there is apparently greater economic virtue in legal separation than in widowhood.

One-way Payment

By the third change, corporations cannot get out of paying their obligations in respect of bonds, debentures or other certificates; not that they have tried to use the law for such evasion of debt. No change is made, however, to make it any easier for corporations to collect their debts.

A peculiar feature of the provision to enforce payment by corporations is that a mortgage is distinguished from a bond. There appears to be no provision for a corporation to pay full mortgage interest. Yet a bond is just a small part of the mortgage. So it seems that the government wants to help the owner of a mortgage bond to collect, but doesn't want to do the same for the owner of a private mortgage.

Ruinous Intent?

The supposition appears to be that a corporation need not collect its due to pay its bond. A loan company, for example, cannot collect any interest at all on older mortgages, but still must pay its full debenture interest. This seemingly fantastic provision may be intended to try to ruin certain types of corporations.

Politics undoubtedly is behind the arbitrary treatment of corporations. The corporation that has a legion of debtors and many bondholders, is regarded as politically impotent. But it is popular to enact laws to prevent collections of hundreds of debts, and at the same time to say that the corporation must pay its many creditors. It may sound well to many electors, but what the government is really saying is that Albertans can have their cake and eat it too.

Crop Advances

There is more than meets the eye in the provision to allow collection of advances made for tax payments, seed grain, fire and hail insurance premiums, and for repairs and improvements. For one thing, the government may suppose that this will encourage lenders to make advances for these necessities to farmers. But that is only part of the story.

Early this year the Aberhart Government, at its spring session, passed radical debt laws, although, in the light of subsequent developments, they now seem to have been comparatively moderate. At the same time, the province required about $1 million to provide seed grain to needy farmers. In view of the radical debt laws, including the scheme to cut interest on provincial bonds, investors were naturally reluctant to add to their loans in Alberta.

The government pleaded for the cash. Finally it was supplied on the understanding that the radical debt laws would be repealed. So the government actually repealed the legislation at the very session at which it was enacted.

Repudiation by Law

Then came the special legislative session in August. Even more radical debt legislation was passed. So, after getting its money, the province did even more damage to creditors than it had attempted in the spring.

Can it be that the government thinks to correct this repudiation by providing that future debts for seed grain, crop insurance, taxes and repairs, may be collected by creditors? Does one reason for this "generosity" to creditors lie in the heavy crop losses in Alberta this year?

Large advances will be required in the province for seed grain, so that farmers can sow their 1937 crops. Many farmers will be unable to pay for crop insurance, or to make necessary repairs to equipment, unless they can borrow anew. And they can only borrow, or course, if lenders feel that their loans will be repaid.

Reason for Changes

Probably the chief reason for making seed grain advances, tax and premium loans collectible is that otherwise the mortgage borrower would not only decline to pay interest but would expect the lender to make such advances without having power to collect. Without the change, the lender would have no way of making the debtor protect the mortgaged property. The change is a method of trying to get lenders to make loans for next year's crop but like the 1936 loans they could be repudiated by legislation at another session.

Exclusion from the act of loans on insurance policies is partly a concession to insurance companies, but it is also made because there has been doubt, even in Aberhartia, of the legality of the act in this respect. Other dubious phases of the act, however, still stand.

Blind to Blunders

The latest changes in the Reduction and Settlement of Debts Act show the Aberhart Government as correcting a few of its minor errors, but with a blind eye to its most colossal economic blunders. The government, as illustrated, appears to reveal by inference these sharply conflicting views:

1. That creditors are entitled to collect debts, but not in Alberta.

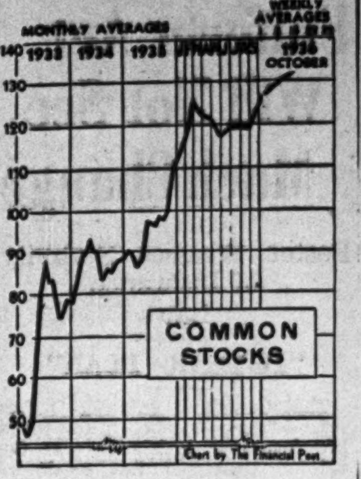
2. That the needy in the form of divorcees should be able to collect support but that needy heirs should not.

3. That corporations should have to pay their mortgage bonds but not necessarily their mortgages; and must pay but must not necessarily be paid.

4. That borrowing to raise crops should be repayable, partly so that next year necessitous funds may be available; but that borrowing for permanent improvements, such as houses and roads, can be repudiated without consideration of future needs for funds.

Veiled Admissions

Paradoxical through it may seem, the conclusion appears inescapable that the Alberta Government recognizes the iniquities of the whole Reduction and Settlement of Debts Act; and also recognizes the unfairness of repudiatory policies: all this, however, without really knowing what it recognizes and without appearing to admit its greatest errors.



ANOTHER RECORD

Sustained rise of common stocks lifted the Dominion Bureau price average to 131.5 for the week ended Oct. 8. A year earlier the average was 96.3. Comparative indices appear on this page.

Can. Hydro Covers Rate For Dividend

Gain in General Business Offsetting Ontario Hydro Loss

INFLUENCES DIVIDEND

From Our Own Correspondent

MONTREAL. — Canadian Hydro-Electric Corp. has deferred dividends on its first preferred stock as revision of contracts held with Ontario Hydro-Electric Commission meant a loss in revenue of around $2 millions annually, but interim reports for the current year reveal an interesting and important change in the trend of earnings.

On the basis of the new Hydro contracts, and allowing revenue from other contracts at the same level as in 1935, it was calculated that the best the company could do this year would be about $5.75 a share, as compared with dividend requirements of $6.50 a share on the first preferred.

Good First Quarter

The initial quarterly statement for 1936 showed a falling off in income, but owing to the fact that Canadian Hydro had not yet reduced deliveries to Ontario Hydro to the minimum basis, net revenue was more than sufficient to cover the dividend on the stock.

In that quarter the company earned $3.06 a share, as compared with $4.77 for the same period in 1935.

Trend Shows Change

No more than passing note was taken of this return as results were in line with expectations. But the quarterly statement for June 30 has not run true to form. Earnings from Hydro have fallen off as was expected, but income from other sources increased to such an extent that the loss in Hydro business was largely offset.

This is shown in the following table covering quarterly share earnings for 1936 and 1935:

Quarterly Share Earnings

	1936	1935
First quarter	$3.06	$4.77
Second quarter	2.77	5.02
Cumulative	$5.83	$9.79

See Dividend Earned

It is apparent from the foregoing that Canadian Hydro will earn its dividend this year unless some very unexpected setback occurs.

Examination of the returns as to the reason of this unexpected showing reveal the company has materially increased its revenue from sources other than Hydro.

Hydro Cuts Bill

During the first quarter the company had an operating income of $2,099,682. It is estimated that Hydro accounted for $931,000 of this sum. The latter covers deliveries under the old Ottawa and Hull contract, which was not cancelled by the Ontario Government and of 200,000 h.p. of 25-cycle and 40,000 of 60-cycle power under the 2 new contracts.

Deliveries to Hydro continued on the same basis until the end of April, when minimum deliveries were made to comply with the new agreements. This meant a reduction in firm power deliveries of 25-cycle power to 100,000 h.p., other deliveries remaining unchanged.

On this basis it is estimated that Canadian Hydro received from Ontario Hydro $751,836 in the second quarter, a decline of $179,164 from that reported in the first 3 months.

The reports show, on the other hand, that operating revenues dropped from $2,099,682 in the first to $2,034,358 in the second quarter, a reduction of only $65,324.

Other Revenue Gains

This indicates that Canadian Hydro's revenue from other sources must have increased by $113,840, being the difference between the estimated loss in Hydro revenue and that reported by the company from all sources.

This premise is set out in tabular form:

	$
Oper. income in 1st quarter	2,099,682
Oper. income in 2nd quarter	2,034,358
Decrease	65,324
Estimated revenue from Hydro in 1st quarter	931,000
Estimated revenue from Hydro in 2nd quarter	751,836
Decrease	179,164

Gain from other sources $179,164 —$65,324 = $113,840.

Clear-cut Picture

For the quarter ended September, Canadian Hydro's deliveries to Ontario Hydro were on the minimum basis. Figures for this period may not be released until next month. This report will be of importance in that it will clearly portray what gains the company has made in revene from other sources. The income for the period will not be affected by the "extra" deliveries to Hydro up to May 1 as was the case in the statements for the first and second quarters.

Examination of the returns for the half year further show that the unexpectedly good showing was not made as a result of operating economies or reduction in debt and other charges.

Lower Interest Charges

Comparing the returns for the first half of this year with those for the same period in 1935, it is noted that interest charges declined $32,321. This would indicate retirement of between $500,000 and $600,000 of Gatineau Power bonds.

The allowance for depreciation also fell off, a saving of $27,075 being effected in this direction. With the lower income went a smaller allowance for income tax, the provision for this charge being $11,921 less this year.

These "savings" are important, but increased charges in other directions were almost an equalizing factor. Operating, administration and general expenses were higher this year by $8,000; maintenance charges advanced more than $12,000, while taxes, other than income, were $30,764 higher.

On balance there was a saving of about $20,000 during the first half of this year, equivalent to only 16 cents a share on the 125,000 shares of first preferred stock outstanding.

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Merchandising—
Generation of Power—

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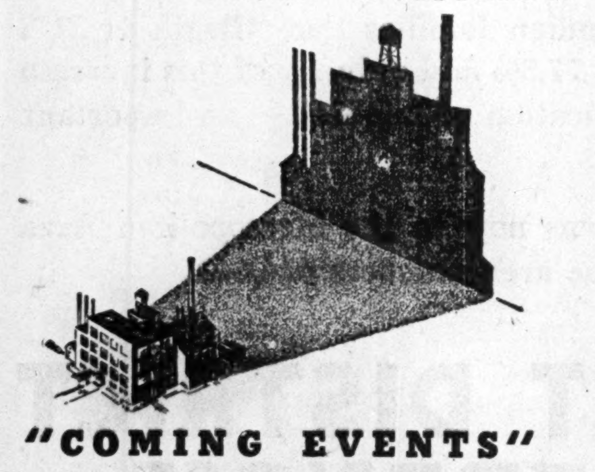

"COMING EVENTS"

Significant for Canada, an exporting country, is the evident determination of the nations of the world to promote freer international trade.

Significant, also, is the broad base on which Canadian industry is advancing, as shown by increasing employment and higher dividend disbursements, the trend of these payments during September reaching the highest level in four years. Thus there is being shaped a brighter future for Canada as a whole.

In this trade expansion, and in the development of our natural resources, investors will find opportunity for profitable employment of funds. Facilities of our nation-wide investment organization at your disposal.

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Investment Notes

International Nickel—Purchase of 23,200 shares of International Nickel in the quarter ended Sept. 30, 1936, is reported by Second, Third and Fourth National Investors' Corp., American investment trusts. Second National acquired 4,900 shares, Third, 4,000 shares and Fourth National, 14,300. The stock continues one of the favorite forms of "hedges against inflation."

* * *

Winnipeg Electric — There has been some speculative buying of the class A and B common, partly because of the low price. Of course there are no earnings in sight for the shares.

* * *

Dominion Coal—The preferred stock, after holding around 17 for several months, has moved to nearly 20. Reports of the company in the last 2 years indicate the dividend of $1.50 a share has been amply covered. Current information is that the 1936 statement will show an improvement over last year. On a yield basis the stock has been selling out of line.

* * *

Montreal Power—Returning confidence in the public utilities is reflected in a relatively sharp gain in market value of Montreal Power common. There never has been any doubt of the company's ability to cover the dividend, but the Quebec political situation created some uneasiness. Recent events have been reassuring in connection with the latter. As a result there has been heavy investment buying of Montreal Power.

* * *

Canadian Vickers — Government orders, brighter prospects for the construction industry, and more activity in shipping, have caused a rise in the value of Canadian Vickers' stock above $5. Financially the company is not well off, but with a re-establishment of earning power it would not take long to strengthen the balance sheet.

National Breweries—The common stock has declined in value, despite the general upswing of the market. Consequently there has been a great deal of talk as to the cause. The market action would indicate a decline in earnings due to the unseasonable weather experienced in Quebec last summer, which affected sales of beverages.

* * *

Power Corp.—The common has been bid up to 18, reflecting the belief that there is considerable leverage behind the common stock. Investments of this company are well diversified as far as one can judge, although no list of holdings has been published for several years. Equity and earnings on the common could mount very rapidly with a further improvement in business and market conditions.

* * *

Dominion Steel and Coal—The B stock has advanced to about 8 largely on account of speculative buying. To date there have been no earnings on this security, nor are there likely to be any for 1936. However the stock has speculative attraction in a rising market and on that account is being widely bought.

* * *

Shawinigan's stock is within striking distance of 25 after having hung around 20-22 for a long time. Current output is the largest ever recorded and the income account for 1936 will show a further gain in earnings. There is also a fair possibility that before many months have passed, directors will take steps to increase the dividend—a move which could be accomplished without affecting liquid position.

* * *

Foundation Co. — One Toronto stock broker has been putting clients into the shares above 20, somewhat belatedly. The opportunity in the stock as an investment in construction and marine work was publicized widely when the shares were at lower prices.

* * *

Brazilian — Although the latest rise appears to have been initiated in London, Canadian investors have followed the move. Odd how attractive a stock seems to have been after it has risen.

* * *

Royalite—The recent rise above 30 is the first return of life in the shares for some time. While the company is highly regarded in well-informed quarters, it is under the Alberta cloud.

* * *

Thayers, Supertest—It is understood that Supertest Petroleum Corp. does not appear as a shareholder in Thayers, but rumors persist that it is interested in the Thayer firm. Although large refining and producing oil companies are going out of the retail business by leasing service stations to operators, it does not necessarily mean better things for the retailing companies such as these. There may be less stability in retail marketing.

* * *

Rogers-Majestic—Without the former publicity as to sales, the company is believed to be doing much better this year, and this accounts for the strength of the shares. They have been bought recently by some pretty shrewd money in expectations that the next statement will show a profit.

* * *

Imperial, Pete.—Investment demand from well-informed quarters has been effective in strengthening Imperial Oil and International Petroleum shares. Still they are not greatly above the low points of last August.

* * *

Fanny Farmer—Despite a rising level of ingredient costs the company is expected to earn more in 1936 than in 1935. New outlets have had a favorable experience. Recent bonus payment of 12½ cents a share makes it seem reasonable to expect continuation from time to time of favorable extra disbursements. U. S. taxes on undistributed profits make this seem even more likely.

* * *

de Havilland—Caustic comment has been heard in Toronto about the sudden rise of the common shares from $4 to $21 in less than 4 weeks and the collapse under $10 within 2 days. Stock exchange officials are believed to be following the matter as indeed they should in the interests of the investing public.

* * *

Building Products—Earnings continue on a relatively high scale judging by government reports on sale of insulating board. Last month Building Products, International Fibreboard and Alexander Murray & Co. reported sales of 4.3 million sq. ft. compared with 2.6 million sq. ft. for the same month last year. For the year to date sales at 25.5 million sq. ft. are about 8.4 million sq. ft. ahead of 1935.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's 112
1929-35:*										
High	368.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	136.2	200.6	54.8	125.2
Weekly Figures, 1936:										
Oct. 1	141.0	21.7	99.0	225.7	71.2	166.5	132.1	205.2	55.2	127.1
Oct. 8	149.5	24.8	100.3	230.0	73.3	170.2	132.5	210.3	59.2	131.5

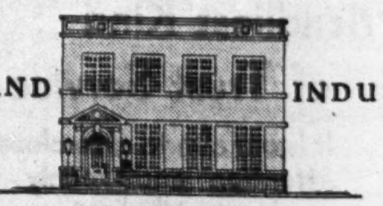
*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 13	150.67	137.26	150.49
Oct. 12		Holiday	
Oct. 10	149.55	135.44	152.23
Oct. 9	149.27	134.58	152.74
Oct. 8	149.55	136.13	152.48
Oct. 7	148.47	136.96	152.72
Month ago	138.83	143.85	147.61
Year ago	107.19	101.72	93.67
High, 1936	150.95	150.46	154.45
Low, 1936	125.71	115.97	123.50

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 13	78.5	86.3	83.7
Oct. 12		Holiday	
Oct. 10	78.3	85.8	83.3
Oct. 9	78.2	85.6	83.1
Oct. 8	78.1	85.3	82.9
Oct. 7	77.2	85.4	82.7
Month ago	71.9	78.9	76.5
Year ago	62.2	58.5	59.7
High, 1936	78.5	86.3	83.3
Low, 1936	67.3	69.5	69.9



MINES AND INDUSTRIALS

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Bond Markets

Gov't Bonds Develop Easier Price Trend

Expect Windsor Refinancing Decision By Oct. 24—Municipal Debt Developments Important

Pressure on the high-grade bond market continues and as a result The Financial Post index of government bond prices has declined to the lowest point since early in June.

Some students of bond market trends are of the opinion that the recent decline indicates that the market had reached its peak. Except for minor set-backs bond prices had been advancing almost steadily for 3 years. A factor in the present decline has, of course, been the recent movement toward stabilization of currencies. As a result of the move to stabilize currencies the stock market has developed a miniature boom. This has caused a good many investors to turn from bonds to stocks.

Atlantic Sugar Refineries is offering $2 millions of 2½%, 3% and 4% bonds at par.

Decision by the Ontario Municipal Board on the city of Windsor refinancing is looked for by Oct. 24. In market circles it is expected that the plan will be approved with only minor adjustments.

The rise in newsprint bonds has come to a stop for the time being at least, prices easing off from recent highs.

C. P. R. issues have risen on the strength of advancing prices for the common stock.

Municipal Debt Notes

AGITATION for reduction in interest rates on debentures of some of the larger cities in Western Canada continues.

Mayor Gerry McGeer of Vancouver is at present in London, Eng., seeking to obtain the consent of English bondholders to a refunding proposal.

The Victoria delegation consisting of C. S. Henley, Mayor David Leeming and M. MacDonald, city comptroller, are also in London carrying on negotiations with bondholders. A strong committee has been appointed to represent English holders of Victoria debentures.

Such proposals are not helping Canada's credit standing in the London market.

A survey by bondholders of the city of Calgary's finances has been commenced to determine whether that city is entitled to a temporary reduction in interest. An investigation in the affairs of the city of Edmonton is also under way.

• • •

Toronto Suburbans

ELSEWHERE in this issue the refinancing plan for the town of Mimico is reviewed. A brief summary of the proposed plans for other municipal defaults in the Toronto area is also given. A perusal of these plans will convince many investors that they were too hasty in disposing of their holdings of defaulted municipal securities. On the whole the loss to bondholders will not be substantial.

The Financial Post has pointed out on numerous occasions in the past that substantial profits were to be made in defaulted municipal bonds. Although appreciation has taken place bond traders are of the opinion that many of these bonds are still excellent investments. Indicated yields substantiate this point of view. For instance, the yield on Mimico debentures on the basis of the refinancing plan is 6.7%.

So great is the interest in bonds of most of the Toronto suburbans that such bonds are scarce as "hens' teeth." Comparative prices are given below:

	Oct. 13	Mar. 14
East York	53	53
Etobicoke	75	58
Leaside	74	49
New Toronto	77	56
North York	70	53
Scarborough	52	48
Weston	68	..

• • •

Government Bonds

WESTERN provincial bonds have followed a somewhat erratic trend, Alberta and Saskatchewan issues advancing while Manitoba and British Columbia bonds declined. Manitoba and British Columbia are admittedly in a much better financial position than the other 2 western provinces so that it is somewhat of a paradox that their bonds should drop in the face of a rise in Alberta and Saskatchewan issues.

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High-Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Oct. 13	115.15	3.191	Oct. 12	108.57	3.903
Oct. 10	115.73	3.160	Oct. 11	108.44	3.916
Oct. 9	115.82	3.148	Oct. 10	107.96	3.959
Oct. 8	116.09	3.125	Oct. 9	106.18	3.938
Oct. 7	115.98	3.140	Oct. 8	107.62	3.977
Oct 6	116.32	3.104	Oct. 7	107.39	4.024
Year's	117.91	2.966	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

TOWNSHIP OF TISDALE

Tenders for Debentures

TENDERS will be received by the undersigned up till five o'clock on Monday, the 26th day of October, 1936, for the purchase of $150,000.00 of 5¼%, 15-year Debentures for the construction and installation of a new Pumping Station and Disposal Plant and Sewer and Waterworks Extensions.

Debentures shall be issued in sums of not less than $50.00 each, equal annual payment $14,943.00.

The above is issued under Township By-Law No. 439.

Further particulars may be had from the undersigned.

DATED this 5th day of October, 1936, at South Porcupine.

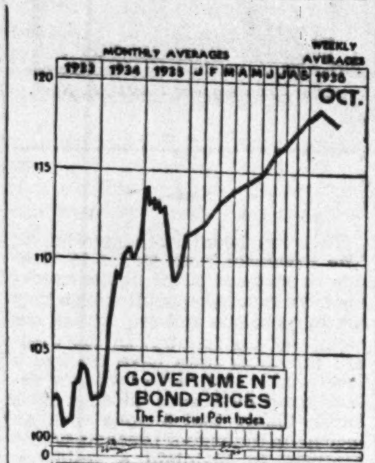
FRANK C. EVANS,
Treasurer, Township of Tisdale.

Classified Advertisements

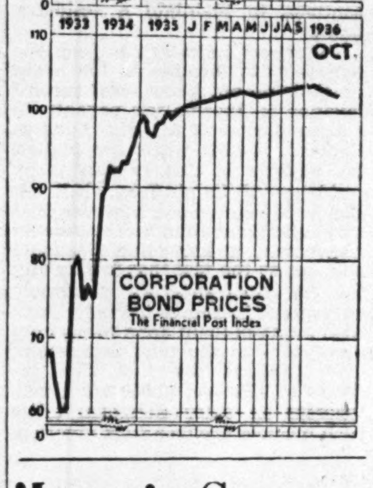
Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads payable in advance.

Bookkeeper - Accountant

Young man, 22, three years' experience as bookkeeper and cashier, capable handling complete set books, preparing financial statements, good character, references, desires position with chance of advancement in preference to large initial salary. Apply Box 410, The Financial Post, Toronto.



GOVERNMENT BOND PRICES
The Financial Post Index



CORPORATION BOND PRICES
The Financial Post Index

'Lantic Sugar Raise Capital

$2 Millions of Debentures Covers Redemption of Securities

From Our Own Correspondent

MONTREAL.—A new issue of $2 millions of Atlantic Sugar Refineries first (closed) mortgage bonds has been sold to the public by Royal Securities Corp.

The present financing consists of $500,000 serial 2½% and 3% bonds maturing November 1, 1937-41, and $1.5 million 15-year 4% bonds due November 1, 1951. Both issues are payable as to principal and interest in Canadian funds only and were sold to the public at 100 and accrued interest.

Simplify Capital Structure

Atlantic Sugar recently gave notice of intention to redeem on October 31 next its outstanding 7% preference stock at 105 and its $911,102 of 5% debenture stock at par. The redemption of the preference stock will be carried out through the company's own cash resources, while part of the proceeds of the present issue will be used to take care of the debentures, the balance becoming part of the company's liquid assets.

Capitalization of Atlantic Sugar after giving effect to this financing will comprise $2 millions of new bonds and 160,000 shares of no par value common stock.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Cement	5½%	1947	Nov. 1	104
Gt. Lakes Pwr..	6%	Serial	Nov. 1	*
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1 '37	100
Dom. Tar, A, B	6%	1949	Nov. 16	103
Simpson's, A ..	6%	1949	Nov. 20	104
Do., B	5½%	1949	Nov. 20	104
Riordon Pulp	†6%	1942	Dec. 31	105
H. Walker	†4¼%	1945	Dec. 1	104
Atlan. Sugar	5%	1942	Oct. 31	100
Atlan. Sugar	5%	1942	Oct. 31	...
Rolland Paper ..	5½%	1948	Nov. 2	103

For sinking fund: †$61.000.
*Callable on 4⅛% income basis.
†Partial redemption.

Stock Issues:	Rate	Stock	Date	Price
Stanfields	6%	Pref.	Dec. 15	42
Atlan. Sugar	7%	Pref.	Oct. 31	105
G. Tamblyn	7%	Pref.	Nov. 1	110

Bond Tenders

4 p.m.. Oct. 20, Sch. Mun. of Saint-Jean, P.Q. — $46,900, 3, 3½ and 4% bonds dated Nov 1, 1936, and redeemable serially from Nov. 1, 1937 to 1961. The object of the loan is for the purpose of renewing part of an issue becoming due Nov. 1, 1936. Hormidas Morais, sec.-treas.

5 p.m., Oct. 26, Twp. of Tisdale—$150,000, 5¼% 15-yr. debentures. Frank C. Evans, treas. (See announcement on page 5).

Oct. 26, Granby R. C. Sch. Comm.—$25,000, 4%, dated Sept. 1, 1936, redeemable serially from Sept. 1, 1937 to Sept. 1, 1961.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.40	...
Can. Invest. Fund	4.55	4.85
Grouped Income	6.78	7.15
Can. Equity	13.75	...
Can. Int. Trust Modified ..	5.50	6.00
Do., unmodified	5.00	5.50
All Can. Com.	13.75	14.25
Trans. Canada	13.75	....

Public Utility Earnings

Mexican Light and Power

August:	1936 $	1935 $	Increase $
Gross earn. ...	682,157	660,506	21,651
Oper. exps. & deprec.	473,865	469,191	4,674
Net earn	208,292	191,315	16,977
8 Mos. end. Aug. 31:			
Gross earn. ..	5,171,526	5,122,320	49,206
Oper. exps. & deprec.	3,710,510	3,668,141	42,369
Net earn.	1,461,016	1,454,179	6,837

Municipal Finances

Lethbridge is the latest Alberta city to discuss refunding proposals, but it is motivated by a somewhat different reason than is either Calgary or Edmonton. During the depression Lethbridge has reduced its debt and avoided new borrowing by financing necessary capital expenditures out of current revenue as far as possible. Due to defaults, city is somewhat worried as to what will happen to its sinking fund. It is now discussing a refunding proposal under which the $2.5 millions held in its sinking fund would be used to pay off a proportion of its debentures while the balance would be replaced by serial bonds.

• • •

Regina, Sask., tax collections for the first 9 months of the year are $73,794 higher than in the same period of 1936. Collections from all sources in the 1936 period were $1,524,923, compared with $1,524,923 a year ago. Current taxes collected to the end of September totalled $1,169,118 compared with $1,147.664 last year; arrears $342,220 compared with $330,673; redemptions, $54,997 compared with $46,585. Consolidations this year to date have amounted to $32,400 whereas there was none last year.

• • •

Galt, Ont., reports an increase in its 1936 assessment in every department. Land is assessed at $3,941,420, an increase of $8,510; buildings at $8.833,355, an increase of $350,615; total taxable real property, $9.813,595, an increase of $44,990; business, $1,185,900, an increase of $31,590; corporation incomes, $19,975, an increase of $17,015; total taxable assessment, $11,019,470, an increase of $93,685. The city's population is now placed at 14,119, an increase of 161 over last year. Increases in other departments more than offset the fact that there is no municipal income assessment. Income assessment last year amounted to $330,000. In commenting on the increase, J. W. Macartney, city assessor, states he is "satisfied with this year's assessment figures and that conditions at the present time in Galt are definitely better than they have been at any time since the depression hit the city following the crash of 1929."

• • •

Brandon, Man., city council has taken steps to bring management of the city under the provisions of the Manitoba Public Utility Board Act. The Public Utility Board has been authorized by the council to investigate the city's financial affairs and make a recommendation to the provincial government as to the type of administration best suited to meet the present difficult situation.

• • •

London, Ont., tax collections on current year's roll shows an increase of 1.3% over the same period last year up to Sept. 30. Total collections for the 1936 period amount to $2,539,444 or 71.3% of the levy of $3,560,489. In the first 9 months of 1935 collections totalled $2,560,828 or 70% of the total roll of $3,660,694.

Alberta Likes Aberhart Laws To Cut Debts

Means Short Shrift for Bondholders of Province

REPORT FUTILE

From Our Own Correspondent

EDMONTON.—Premier William Aberhart's attitude toward the report on Alberta's fiscal position prepared by the Alberta bondholders' investigators, has been made abundantly clear. His attitude is summed up in a remark he has made to several audiences in southern Alberta recently, that: "I don't see how we can change."

When Mr. Aberhart received the report he reserved comment and hinted he would need "at least a solid week" to consider it. Within a few days he left Edmonton for a 2-weeks speaking tour in the south, obviously not inclined to consider the report then. Subsequently, his references to the report revealed clearly he had little intention of meeting its arguments and figures with logic.

Cling to Repudiation

With Mr. Aberhart berating his followers for not co-operating properly to make his issue of scrip a success, and widespread scepticism evident in regard to his credit house experiment, the reduction of bond interest and reduction of private debts constitute the only 2 matters of policy in which the Social Credit Government can be said to have encountered popular acclaim. The net result is that the Social Credit Government is clinging with might and main to its repudiation policies, simply because they represent the only realities amid countless uncertainties.

While the bondholders' report declared willingness to discuss the whole situation anew, and Mr. Aberhart maintains he is still open to suggestions, there is little evidence of practical renewal of negotiations. In short, the feeling is growing that the sooner a court ruling is obtained on both bond interest and private debt reductions, the better it will be all around.

"Missing" $90 Millions

With the report of the bondholders unchallenged as to the accuracy of its figures by the government, it removes any doubt of Mr. Aberhart's position in regard to repudiation. The report found that Alberta could pay bond interest in full, without new taxation and without curtailing expenditures radically.

In offering statistical proof that the 1934 income of Alberta citizens exceeded by $90 millions all expenditures in living costs, the report questions by inference the Social Credit assumption that dividends are required to amplify purchasing power. Mr. Aberhart frankly does not believe the report in this connection. Speaking to his Sunday audience, he said: "I have been wondering myself where it went. . . If you know anything about it, I wish you would let us know."

The "missing" $90 millions seems due to become a big issue in Alberta, with Social Crediters using it to support their theory that modern finance has robbed the people of their "cultural heritage." Said Mr. Aberhart: "If we had $90 millions over all payments for necessities and luxuries, I would think we had plenty of money floating around to let us all have some."

Absence of Opposition

Visitors to Alberta frequently comment on the absence of effective political opposition to the Aberhart forces. While Social Credit groups throughout the land have become sounding boards upon which Mr. Aberhart can depend for harmonious acclaim for his policies, opposition opinion has few outlets for directing comment at the government. The government party's groups are continually active passing and publishing resolutions endorsing their leader, local groups which might communicate criticism to the government are inactive, other than boards of trade. A political movement designed to focus opposition sentiment of all types is quietly forming, though its effect cannot be calculated in advance.

The journal of the C.C.F. has already indicated that party's unwillingness to join a fusion movement, and this leaves Conservative and Liberal circles as the main possible strength for united action. Events have proved adverse to the Liberals. Loss of press support last January when the Calgary Albertan switched to the Social Credit party, has been followed recently by open endorsement of Aberhart actions on the part of the Edmonton Bulletin. For the time being, no effective leadership has emerged that would indicate success for a fusion movement.

Foreign Exchange

The event of the week, in so far as foreign exchanges were concerned, was the announcement of the gold pact whereby Great Britain, United States and France will ship gold for stabilization fund account. For the most part it was accepted as the logical successor to the stabilization agreement announced last month.

Currency quotations continue unsettled, pending some more definite realignment. Sterling maintained its relatively low level of about $4.90. Seasonal factors are partly responsible for weakness in the pound, but much more important is considered the aftermath of the gold bloc devaluation. Exchange experts are of the opinion that commercial relations between Great Britain and the former gold bloc countries will depend largely on the dollar-pound relationship, although as yet no definite parity appears to have been established.

In the United States, reports indicate that President Roosevelt will ask for continuance of authority to devalue the dollar, but that, barring foreign developments, there will be no change in gold content.

The Bank of France again cut the discount rate, this time from 3 to 2½%. The internal situation is still acute, with the life of the Blum Government reported threatened. Repatriation of capital has been slow, but may possibly be speeded up somewhat by the confidence created by the new gold agreement. It is unlikely, however, that there will be any substantial influx of foreign holdings until the exchange situation becomes more definite.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Oct. 6	Oct. 7	Oct. 8	Oct. 9	Oct. 10
U. S. dollar, High		1.00	1.00	.99[illegible]	.99[illegible]	.99[illegible]
Low		.99[illegible]	.99[illegible]	.99⅞	.99[illegible]	.99[illegible]
1935 High		1.01⅞	1.01[illegible]	1.01[illegible]	1.01[illegible]	1.01½
Low		1.01[illegible]	1.01[illegible]	1.01[illegible]	1.01[illegible]	1.01¼
U. K. pound		4.90½	4.89¼	4.89½	4.90¼	4.90½
Argentina		.....	.2799	.2791	.2793	.....
Australia		3.9172	3.9070	3.9077	3.9167	3.9168
Austria		.1886½	.1886	.1885½	.1886	.1886½
Belgium		.1682½	.1681	.1682½	.1682	.1682½
Brazil		.0584¾	.0589¾	.0589½	.0590	.0589½
Czechoslovakia		.0394⅞	.0380	.0378½	.0374½	.0355
Denmark		.2190	.2181	.2185	.2190	.2190
France		.0467½	.0466¾	.0466¾	.0466¾	.0466¾
Germany		.4019	.4020½	.4010¼	.4015½	.4020
Greece		.0090½	.0090	.0090	.0090	.0090
Holland		.5298	.5327	.5327	.5334	.5340
Hungary		.1979½	.1979	.1978	.1979	.1979
India		.3721	.3728	.3727½	.3733	.3736
Italy		.0526⅜	.0526	.0526	.0526¼	.0526¼
Japan		.2872	.2865	.2857½	.2867	.2869
Jugoslavia		.0229½	.0229¼	.0230	.0229½	.0229½
New Zealand		3.9487	3.9385	3.9392	3.9482	3.9483
Norway		.2465	.2456	.2460	.2465	.2465
Poland		.1890	.1889	.1889	.1890	.1886
South Africa		4.8817	4.8690	4.8696	4.8811	....
Sweden		.2529	.2524	.2524	.2529	.2529
Switzerland		.2304	.2300	.2302	.2307	.2307
Honk Kong		.3069	.3063	.3062¼	.3058	3.069

In Montreal

men of affairs naturally stop at the Windsor because of its reputation for dignified comfort and unobtrusive, courteous service and its convenient location—and because the Windsor is recognized as the proper place for business and social meetings.

Let your Montreal headquarters always be

The Windsor on Dominion Square

J. ALDERIC RAYMOND, VICE-PRESIDENT WILFRID A. STEAD, MANAGER

Dividends Declared

	This payment	Date payable	Date of record
Anglo-Can. Tel. pf.	87½c	Nov. 2	Oct. 15
Amnazu Gold	†5c	Oct. 20	Oct. 9
B. C. Tele. 2nd pf.	$1.50	Nov. 2	Oct. 17
Beatty Bros., 1st pf.	$1.50	Nov. 1	Oct. 15
Buff. Ankerite	5c	Nov. 15	Nov. 1
Can. Indus., A & B	$1.25	Oct. 31	Sept. 30
Can. Nor. Pwr.	30c	Oct. 26	Sept. 30
Can. Iron Fd., pf.	$1.50	Nov. 15	Oct. 31
Can. Bronze	25c	Nov. 2	Oct. 20
Do., pref.	$1.25	Nov. 2	Oct. 20
Calgary Power, pf.	$1.50	Nov. 2	Oct. 15
Coast Brew.	27c	Nov. 1	Oct. 15
Community Trusts	62½c	Oct. 15	Sept. 30
Crown Cork	20c	Nov. 16	Oct. 31
Crow's Nest Coal	$2	Nov. 2	Oct. 15
Dome Mines	50c	Oct. 20	Sept. 30
East. Steel, c.	$1	Nov. 2	Oct. 16
Hollinger Gold	5c	Nov. 3	Oct. 19
Do., extra	5c	Nov. 3	Oct. 19
Humberstone Shoe	50c	Nov. 1	Oct. 15
Inter. Utilities, pf.	$1.75	Nov. 1	Oct. 20
Do., $3.50 pf.	87½c	Nov. 1	Oct. 20
Imperial Bank	$2.50	Nov. 2	Sept. 30
Int. Nickel, pfd.	$1.75	Nov. 2	Oct. 3
Little Long Lac	10c	Oct. 20	Oct. 5
Macassa Gold	5c	Nov. 2	Oct. 15
Mtl. L., H. & P.	37c	Oct. 31	Sept. 30
McWatters Gold	5c	Oct. 30	Oct. 20
Maritime Tel.	15c	Oct. 1	Sept. 20
Do., pref.	17½c	Oct. 1	Sept. 20
Penmans, pref.	$1.50	Nov. 2	Oct. 21
Rolland Paper, pf.	$1.50	Dec. 1	Nov. 14
St. Law. Flour	50c	Nov. 2	Oct. 20
Do., pref.	$1.75	Nov. 2	Oct. 20
Steel of Can.	43¾c	Nov. 2	Oct. 7
Do., pref.	43¾c	Nov. 2	Oct. 7
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 15
Tamblyn, c.	†20c	Jan. 1, '37	......
Toburn Gold	2c	Nov. 21	Oct. 21
Westm'ster Pap., c.	20c	Nov. 1	....
Weston, Geo.	$1.25	Nov. 2	Oct. 20

†Initial.

I.P. Turns Sod For Big Plant

Building World's Largest Kraft Mill at Georgetown, S.C.

From Our Own Correspondent

MONTREAL. — International Paper and Power Co.'s subsidiary, Southern Kraft Corp., has started construction on a new kraft paper and board mill at Georgetown, South Carolina.

The designed capacity of the new mill is somewhat larger than that of Southern Kraft's Panama City, Florida, mill which, with a 625-ton daily capacity, is today the largest kraft mill in the world. The completed undertaking will represent an investment of over $8,000,000 and its operation will give employment to over 2,200 men.

Finances Are Arranged

Arrangements have been made to finance construction costs without public sale of securities at this time.

Orders have been placed with the Beloit Iron Works for 2 large fourdrinier machines which will have a combined capacity of 216,000 tons yearly. Delivery of these machines is scheduled to commence during May, 1937 and to be completed by August. It is expected that the mill will be in operation by October 1, 1937, giving Southern Kraft Corp. total kraft paper and board capacity of more than three quarters of a million tons a year in its 7 mills.

Georgetown location was selected after an extensive study of available sites. The mill will be situated on deep water and will have its own docks and facilities for ocean shipments to all United States seaports as well as foreign points. Direct connection with the Seaboard Air Line gives access to midwestern and other inland United States markets.

Nova Scotia Shipping Co. Wants Bondholders' Names

From Our Own Correspondent

MONTREAL.—C. F. Tremaine, K.C., special referee appointed by the New Brunswick Supreme Court in connection with the winding up of the Nova Scotia Shipping Co., is seeking the names of owners of the company's first mortgage bonds, together with the amount held. Registration can be made with the Referee up to October 31. No payment can be made on the bonds until they have been registered.

Obituary

Charles S. Cameron, vice-president and director of Dominion Steel and Coal Corp. died suddenly in Montreal in his 80th year. After graduating from Dalhousie, Mr. Cameron became associated with the old Dominion Iron and Steel as its plant was being built in 1899. He became connected with Dominion Coal Co. in 1903. When the British Empire Steel Corp. was formed in 1921, he was appointed secretary and carried on when the company was reorganized as Dominion Steel and Coal.

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N. B. Southern Railway Mortgages Its Property

From Our Own Correspondent

MONTREAL. — New Brunswick Southern Railway Co. has deposited with the Secretary of State a mortgage deed dated August 1, 1936, mortgaging its property and undertaking to the Royal Trust Co. to secure an issue of bonds authorized by special acts relating to the company.

Frontenac Breweries Ltd. Seeks to Surrender Charter

From Our Own Correspondent

MONTREAL.—Frontenac Breweries Ltd., of Montreal, has applied to the Secretary of State for leave to surrender its charter. This company is a wholly-owned subsidiary of National Breweries, the only public investment interest in the enterprise being extinguished by the redemption of the bonds some time ago.

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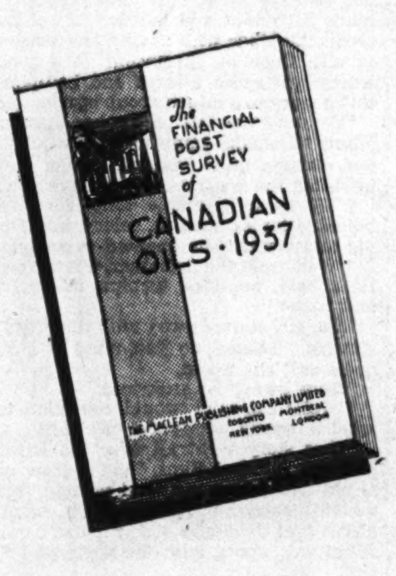

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TORONTO, OCTOBER 17, 1936

The Financial Post's Platform for Canada

1. *Balanced budgets, achieved through economies and not by new taxation.*
2. *A "pay-as-you-go" policy in public spending to peg public debts.*
3. *Abolish politics in the C. N. R. to end deficits.*
4. *Appointment, promotion and payment by merit in the public service.*
5. *Integrity in meeting public obligations.*
6. *Freer foreign trade through Empire preferences and foreign treaties.*
7. *Stable tariffs designed for balanced national development.*
8. *Stricter laws to protect investors.*

8. Stronger Company Laws

THE laws under which Canadians form and finance companies are nearly as important to national well-being as those that protect life, property and liberty. They have the same roots in law and history and are an elaboration of the rules of common honesty and of fair play. They are to be judged good or faulty by their success in directing the flow of capital into worth-while enterprises with a minimum of fraud and racketeering.

Foreign capitalists find it as important to study the company laws of Canada and its provinces as to study its natural resources. They know that strict laws show a high regard for integrity. They feel it is safer to trust their money in a country with good laws well administered. On the other hand the predatory promoter, the high pressure stock salesman, the manipulator and the bucket shop operator are warned by adequate laws to steer clear.

Canadian laws are effective in catching outright thieves and punishing them. But in all the manifold relations of modern life involved in management and direction of companies, trusteeship and agency transactions there is still a long way to go. The financial laws in Canada still allow a good deal of latitude to those who do not want to tell the whole truth to investors.

The Dominion Companies Act is not perfect but it is the nearest approach to an adequate companies act which Canada has ever had. The provinces lag far behind. They cannot now give the world at large any more convincing demonstration of their general standards of integrity than by bringing their companies acts up in line with the Dominion's.

That should be followed by a second step, of looking after line fences. The dishonest promoter can take such advantage of disputes concerning jurisdiction and constitutional powers between provinces and Dominion. Much has been done by alert securities commissioners but their efforts have been mainly directed at denizens of the underworld of finance. What is needed is confidence in the uprightness and integrity of the upper world of finance. In that upper world there will be respect for the laws as they are. But many people in the upper world think it legitimate to pick and choose among the companies acts to devise the kind of company and financing which requires least expense, least disclosure and least responsibility.

Adequate company laws in Canada can only be obtained by provinces making their acts adequate or by agreeing to abide by a Dominion law to be given effect by provincial statute everywhere; by all securities commissioners and law officers working together, by a complete interchange of information about companies and company data among all 10 governments; and by a close study from year to year of how actual legislation is working out in practice.

This Much Was Hard Cash

ONE cannot write about the deficits of the Canadian National Railways without inspiring some propagandist for public ownership to come back with the statement: "Oh, most of the deficit represents bookkeeping items, such as interest on money that is really water under the bridge."

The simple fact is, though, that not counting a dollar of interest for "water under the bridge," the Canadian National Railways absorbed $847 millions of new money in the form of hard cash from the time the consolidation took place to December 31 last.

Adding the interest on government loans, the amount of cash the taxpayer had to find, either out of taxes, out of public borrowings or out of new railway borrowings was $1,278.5 millions.

Here are the figures:

	Millions
Income deficit before interest on government loans	**$385.8**
Total net new capital expenditures	**461.3**
Total new cash spent	**$847.0**
Interest on government loans unpaid	**431.5**
Total amount to be found by taxpayers or added to public debt	**$1,278.5**

It will be observed that the biggest item was for new capital expenditures. The figure given for capital expenditures is net new money. That is to say where the railway was able to find the money itself, through scrapping obsolete equipment or out of retirement funds built up from earnings, the expenditure has not been included in the total. This is only new money.

The figures year by year are revealing:

Net Capital Expenditures

Under Thornton	Millions
1923	$56.8
1924	44.3
1925	25.2
1926	26.1
1927	50.2
1928	57.1
1929	82.4
1930	78.6
1931	35.7
1932	1.7
Interregnum	
1933	3.8
Under Trustee Board	
1934	1.3
1935	.7
Total	461.3

The most interesting thing this table shows is that in the past four years the capital expenditures of the railway have been rigidly controlled. There is that much to be said for Hon. R. J. Manion's influence and for the control exercised by the board of trustees. Stubborn resistance to political and sectional pressures would be welcomed from the new board. New money has to be spent; the railway must keep pace with science and engineering. But that is all the more reason why political spending, such as marked the '20's, is to be avoided.

The Future of the Drought Area

THE Saskatchewan general debt settlement focuses attention on the future of the drought lands of the West. Some land hitherto farmed is not good enough to repay further effort. The Dominion Minister of Agriculture has suggested that such land should become communal pastures. Some of it has already been abandoned, and more of it is due to be abandoned. But whether or not the process can be accelerated by intelligent direction, and if so how to apply such direction, are matters still to be worked out.

There must be changes also in the size of many farms. In some cases it is possible that farmers are attempting to farm too much land, and will be better off if both their debts and their efforts can be concentrated on a part of present holdings. But no such rule can be generally applied. Indeed it is probable that many farms are too small for completely efficient operation, and that over much of the open prairie country, there will be a tendency toward consolidation. Where land is very dry it takes a large number of acres per head to support cattle. No doubt a similar principle applies to the human population.

The sound principle, of course, is that the open prairie country must continue to be farmed, and largely by the people at present in occupation. Their methods and their holdings will have to be adjusted in the way that best enables them to meet the natural conditions with which they have to contend, which include inevitable years of drought and of scanty crops, against which the proceeds of the more fortunate years must be made to give provision.

It will be a gradual process, rather than any large and sudden scheme by which such adjustment is made.

Some Moderate Views

IT WAS a rather remarkable radio address that was given in Vancouver the other night by Rev. Robert Connell, former C.C.F. leader, now head of the B. C. League for Social Reconstruction.

He was sympathetic to advancing the income tax in the higher brackets, but he urged that it be not done in such a way as to "kill the goose that lays the golden egg." There is always a danger, he said, that it might injure business and industry. He added the warning that taxes levied on big incomes are often passed on to the consumer.

On the subject of repudiation of contracts, Mr. Connell said:

> "Repudiation is another word for ruin, and the people who advocated wholesale repudiation are seeking the ruin of either the taxpayers or the bondholders, with the hope of creating a revolutionary situation.
>
> "I hold that the first essential of any solution that is consistent with the happiness of the people is honesty, which some call a middle class virtue."

Another angle of repudiation, Mr. Connell said, is that government repudiation of debts is bound to lead to repudiation of private debts with resulting chaos to business.

Mr. Connell said he was in favor of debt adjustment but only by negotiation.

Too Many Cry-Babies

THE Texas Weekly asked recently, "Are we becoming a nation of cry-babies?" And a large number of those who are now commenting editorially on the question agree that government paternalism has had a bad effect on the character of the American people.

It would not be an impertinent question for Canadians to put to themselves. The habit of running to Ottawa or to a provincial government or to the city, like a hurt boy running to his mamma, is indulged in by many classes of people in this country whenever something disturbs them.

Youths whose opportunities in life are greater than those enjoyed by their pioneering grandfathers speak of themselves as the "lost generation." Farmers to whom dollar wheat used to be synonymous with prosperity expect governments to wipe out their debts and fill their pockets. Retailers ask for codes; manufacturers ask that the tariff ensure their success; even the man who could find a job if he wanted it says that the government owes him a living. Relief bills climb as rapidly as employment figures.

Governments have no facilities for supporting the people. Rather the shoe is on the other foot; people support the governments. The more they ask of their governments the greater the burdens they are putting on themselves.

There is always room for a few cry-babies in any country, but if the whole nation turned cry-baby there would be nothing left of government.

Editorials in Brief

At one of Premer Aberhart's meetings on the coast the audience sang "I'm forever blowing bubbles." It is not recorded whether or not the speaker joined in the chorus.

* * *

This week's bright thoughts of great intellects:

"You don't need money to pay dividends."—Premier Aberhart.

"Relief is the only thing keeping industry and business alive."—Jonathan F. Glendon, labelled as "Los Angeles technocrat."

* * *

How Monday originally got the designation of "Blue Monday" we do not know but how it keeps it is easy to discern.

Sunday is the day when the dictators of Europe gather their children around them to rattle sabres and cry vengeance on ancient enemies. Monday morning's newspapers carry the cables.

Sunday is the day when people throng the highways and drive furiously from place to place in search of rest. Monday morning's newspapers record the accidents.

Monday morning newspapers used to be lean of news. But half-mad dictators and madcap drivers have made up the deficit.

* * *

The Toronto Daily Star says: "An editor is nobody in particular and he meets but few people." The editor of the Star must be speaking for himself. He is not speaking for most editors we know.

No editor can be well informed unless he spends a large part of his time outside his office, travelling among all sorts of people to get as many viewpoints and as much information as possible. Members of the staff of The Financial Post are required to get out of their offices where they can meet people. They would not think it possible to edit a newspaper out of blue books and letters to the editor.

Maybe the editors of the Toronto Star are coming around to the same view. One of that paper's chief editorial writers has spent the last 2 weeks in Alberta and has been writing some excellent articles from that field. But the background he will have on Alberta problems during the coming months will be more important to readers of the paper than the articles he writes on the spot.

It is a rather progressive development when a newspaper that spends thousands of dollars sending its feature-writing reporters around the world decides that one of its editorial writers also ought to do a little travelling so that he can meet a few people.

Post-Scripts

ADMIRAL WILLIAM SOWDEN SIMS, the Ontario-born American who recently joined the celestial branch of the service after spending all his active years with the United States navy, was a great admirer of British naval traditions and efficiency. Most of the hot water he spent his active days in getting into and out of was heated by his strenuous campaigns to get the United States navy to emulate or surpass the British navy. When the United States got into the Great War Admiral Sims went to England to superintend United States naval operations and was given immediately a very responsible post in directing combined naval operations in important areas.

Several years ago, one of the editors of The Financial Post heard him tell the following story:

"The British have a very keen sense of humor and so have Americans. But they are different kinds of humor and so each is not inclined to credit the other with having any sense of humor at all. Once at Queenston at a social event, which was quite a large and brilliant affair, I told a story to a mixed group of men and women.

"My story was this: A Yankee drummer (travelling salesman) came to a New England hotel one evening quite hungry. In the dining room he asked the waitress, 'What have you got?'

"'We have vegetable soup, fish, roast beef, boiled potatoes, turnips, celery, apple pie, raisin pie and coffee,' she chanted in reply.

"'Well,' said the drummer, 'I'll have soup, fish, roast beef, potatoes, turnips, celery, raisin pie and coffee.'

"The girl started away with the order and then stopped. 'Mister, do you mind if I ask you a question?' she asked.

"'Fire away,' he answered.

"'Well,' she said, 'would you mind telling me what is wrong with our apple pie?'

"That story went all over the British Isles," pursued Admiral Sims, "and I grew quite used to old and young men and women approaching me with something like this, 'Oh, Admiral Sims, about that drummer story. I don't quite get it. What was wrong with the apple pie?'"

Sayings of the Week

"I am not afraid of the results if we stick to the rules."—*Henry Ford.*

* * *

"Every advance in social organization requires some surrender of individual freedom by the majority."—*Owen D. Young.*

* * *

"Of the 10,000 to 12,000 freshmen who enter Canadian universities and colleges every autumn, only about two-thirds ever graduate."—*Alice Harriet Parsons.*

* * *

"The astronomical sums spent upon armaments would give to the 'under-housed' living conditions approaching those which in our time and age they should enjoy."—*Bernard M. Baruch.*

* * *

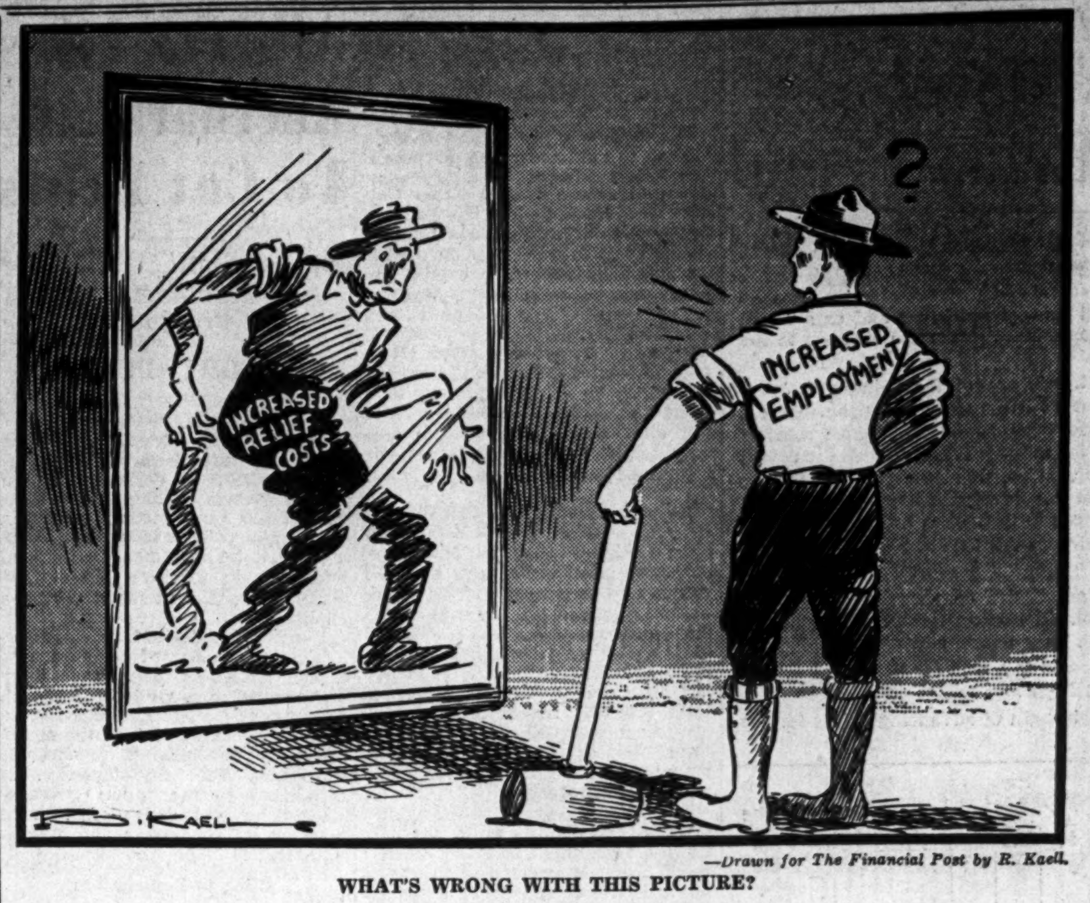
"It is a law of our social order that a bureaucracy grows by what it feeds upon. Once a government starts on a career of waste it finds itself unable to stop."—*Colonel Frank Knox.*

* * *

"I think the government should assist tenants in making up the spread between their earnings and their requirements for a decent living."—*Dr. H. A. Bruce, Lieutenant-Governor of Ontario.*

* * *

"If anyone seeks our advice, we say select a stock based upon a legitimate mining effort, directed by honest men, and then stand loyally by while efforts are made to create a mine where none existed before." — *Sydney Norman, B.C. mining commentator.*



—*Drawn for The Financial Post by R. Kaell.*

WHAT'S WRONG WITH THIS PICTURE?

Big Incomes Carry Tax Load

"Large incomes should be more heavily taxed in Canada."

This is a common assertion based largely on the belief that income taxes in Great Britain are considerably higher than in Canada.

However, a survey conducted by Citizens' Research Institute of Canada shows that while the income tax as levied in Great Britain bears more heavily on incomes in the lower brackets than is generally the case in Canada, it bears less heavily on incomes in the higher brackets.

On the other hand, income taxes payable by residents of the state of New York bear less heavily in the lower brackets than is generally the case in Canada, but approach and in some instances pass the Canadian levies in the higher brackets.

Hypothetical Case

For the purpose of its study the Institute assumed a hypothetical case which serves to illustrate the application of income tax rates in various Canadian cities, the city of New York and London, England. The local tax on income, whether provincial, state or municipal, is taken into account.

The case of the taxpayer assumed for the purpose of the comparison is that of a married person living with his wife and 2 dependent children, whose total income up to $14,000 is "earned income" as distinguished from "investment incomes." It is assumed that his income is not subject to taxation except in the jurisdiction in which he is resident. He receives no deduction from his gross income for expenses, wasting assets, or exempted investments and gives 5% of his gross income to charitable, religious or educational institutions. He carries life insurance to the value of twice his income, or up to the maximum amount for which premiums are deductible in the taxing jurisdiction.

Queries High Rates

In discussing the results shown by its compilation the Institute queries as follows: "Is it likely that income taxes in Canada could be more productive by increased rates on the higher brackets? Is it not possible that less severe treatment might produce better results, not only from a revenue point of view but from the standpoint of the general well-being of the country?"

This has been the contention of The Financial Post. Taxes in Canada on incomes in the higher brackets have reached a point where they are burdensome and are driving out wealth of the country. In the western provinces rates have reached a level that is absurd. In fact they defeat their own ends in that it is hardly likely that anyone with an income in the higher brackets would continue to maintain a residence there.

The report indicates that people in Canada with incomes in the lower brackets do not know what income taxation is. Income tax payable on a gross income of $5,000 in London, England, is $465 while the highest tax payable in Canada is $252 by residents of Saint John, N.B. It should be pointed out, however, that the tax in Saint John is considerably larger than in any other Canadian city due to the fact that in this city the municipal supertax is payable only on the income of the individual. Real estate in Saint John forms only about 65% of the total assessment. This explains the fact that incomes of $500 and $1,000 are taxed, whereas in other Canadian cities such incomes are free from taxation.

Personal Income Taxes, Dominion and Local
Payable by Married Person with Two Dependents

Gross Income of Taxpayer	Charlottetown, P.E.I.	Sydney, N.S.	Saint John, N.B.	Montreal, Que.	Toronto, Ont.	Winnipeg, Man.	Regina, Sask.	Calgary, Alta.	Vancouver, B.C.	New York, N.Y.	London, Eng.
$	$	$	$	$	$	$	$	$	$	$	$
500	nil	nil	5	nil	nil	nil	nil	nil	nil	nil	nil
1,000	nil	nil	5	nil	nil	nil	nil	nil	nil	nil	nil
2,000	15	nil	62	nil	nil	40	nil	nil	4	nil	11
3,000	45	5	104	6	8	74	26	19	22	nil	117
5,000	187	153	252	76	102	217	147	147	135	84	465
10,000	842	706	859	495	590	886	796	825	794	555	1,449
25,000	5,280	4,124	4,624	3,841	4,210	5,506	5,896	6,212	6,086	3,230	6,420
50,000	14,408	12,539	13,658	12,678	13,506	17,109	19,045	20,025	18,699	10,205	17,811
100,000	36,779	33,940	36,300	35,839	36,777	45,173	53,483	55,326	51,284	32,167	44,866
250,000	122,035	118,302	124,382	129,514	126,716	149,854	186,811	178,388	169,247	125,801	134,791
500,000	284,912	281,998	294,878	313,349	298,496	345,952	432,276	406,584	388,943	296,064	245,168
1,000,000	640,356	642,381	667,061	720,609	670, 64	763,924	953,196	895,967	861,326	658,552	614,920

Public Confidence Well Earned . . .

Edmonton Journal

The difficulties that businessmen have faced during the past few years are inadequately recognized by their fellow-citizens. So is the fact that fair dealing has characterized their operations in the great majority of cases. The way they have met the test of these trying times should result in their being accorded a large additional measure of public confidence, which will stand them in good stead in the better days that now lie ahead.

It has meant more than is generally realized to have had those charged with industrial and mercantile responsibilities carry on as they have done. But for their courage and continued faith in what the future holds for their communities and for the country as a whole our economic life would have been more seriously disorganized and unemployment would have been greatly increased. Out of reduced earnings they have had to pay much heavier taxes which they shouldered in a good spirit, knowing that under the circumstances these could not be avoided.

It is only right that all this be kept in mind. Businessmen still have many problems to solve and they are entitled to ask that no unnecessary obstacles be placed in the way of their putting the enterprises they are directing on a more satisfactory basis. When they are prosperous so are those whom they serve.

Mr. Landon Takes The Wrong Turning

BY WALTER LIPPMANN

In his column "To-day and To-morrow," in the New York Herald-Tribune.

The revaluation of the franc is of vital concern not only to France but to the other nations. For only when it takes place will an effective stabilization of the leading currencies be practicable and only on the foundation of such a stabilization can there be an improvement in international trade. Then will it become possible to begin to dismantle the embargoes, quotas, licenses, exchange restrictions and what not, to stabilize, perhaps even to reduce, tariffs.

Governor Landon will do well to watch these developments attentively. For they may have a great bearing on what he has to say about the tariff and about farm policy. He had better not make commitments now in the hope of capturing votes along the Canadian border which a month hence will leave him in the awkward position of being an economic isolationist in a world which has at last the prospect of restoring international trade, of being an economic restrictionist in a world where free enterprise can be resumed.

Stop Me If You've Heard This One . .

Rastus: "Ah's sure advanced in de pas' couple ob years."

Mose: "How's dat?"

Rastus: "Well, two years ago Ah was called a lazy loafer, and now Ah's listed as an unfortunate victim ob de unemployment situation."

Other Peoples Views

Wanted, A Rubber-Stamp

Calgary Herald

When Mr. Aberhart anticipated last Sunday that the newspapers might "holler" about his proposal to license them, he was overlooking an important fact. There is just one reason why any newspaper need suffer under such a censorship—a determination to publish the truth. Even in Germany, where they shoot people for disagreeing with the government, no paper ever gets into trouble so long as it sees things and says things exactly as the government tells it to.

Under a government censorship in Alberta it would be equally easy for any paper to avoid difficulties. All it need do is agree with Mr. Aberhart, praise Mr. Aberhart, approve of every government policy, right or wrong, suppress any fact relating to a mistake or a failure or a scandal in government circles, and color all the facts it did publish with a stronge tinge of government propaganda. That may sound absurd, but it is exactly what happens under any press censorship. The truth disappears and propaganda takes its place.

Not Much Headway

Canadian Printer and Publisher

Is the Industrial Standards Act of Ontario dying a natural death? Very little is heard about it now; certainly not much is heard to its benefit. When some action in regard to it does occasionally appear in the news columns, it seems to record a failure.

No success so far has been achieved under the Act in setting up a code for the printing industry; nor in the engraving industry, or any other department of the graphic arts.

Codes set up in several industries have failed to make good. In the counties of Perth, Huron, Waterloo and Wellington, there was a code of fair practices put into effect to govern the baking industry, but at a recent meeting of the bakers concerned it was unanimously decided to ask that the code be discontinued.

The furniture industry code for the Stratford-Kitchener zone expired a short time ago and the manufacturers declined to accept a renewal.

It is said that the baking industry code failed because of the number of ways devised for covering up infractions—just as the federal regulations in regard to advertising allowances may also prove disappointing; there are too many ways of circumventing code provisions.

The furniture code, in turn, proved abortive because it put the Stratford-Kitchener zone manufacturers at a distinct disadvantage as compared with the manufacturers in Toronto and northern zones.

Though much time and effort were expended on setting up a printing industry code for Ontario, nothing effective resulted.

The theories advanced by the original promoters of the Industrial Standards Act have not in many cases proved sound in practice, and it has been discovered that the job of legislating employers and employees into action, calculated to be to their own best interests, is full of pitfalls and obstacles, some of the codes failing through their own weakness.

Increased Fish Consumption

Saint John Telegraph-Journal

The people of Great Britain consume twice as much fish per capita as do the people of Canada. Of course, it must be acknowledged that the British Isles constitute a much smaller and more densely populated area, all within a few hours journey from the sources of fresh fish, whereas Canada, with its great distances and its enormous unsettled stretches, does not offer the intensive markets for fresh fish as does the Motherland. But it is felt that the consumption in the Dominion, averaging 21 pounds per person a year, is too low, and could be materially increased; hence the plan of the fisheries department at Ottawa to carry out an advertising campaign this year. Its success will be watched with interest, especially in these provinces.

Creating a demand, however, is one thing, and supplying it adequately with a high grade product at prices that will attract buyers is another. No doubt an increase in the quantity consumed will lower the unit price of production and distribution, but the necessity still remains for those supplying the demand to maintain a constant and high standard of quality, and to place it on the market with the least possible expense. These features of the business deserve attention when the campaign for increased consumption is being carried out.

Sales Tax Evasion

Drug Merchandising

In November, 1934, the bank declined to grant further credit to Crosse & Blackwell (Canada) Limited of Toronto. This action precipitated a meeting of creditors at which it was discovered the company owed the Department of National Revenue of the Federal Government a total of $63,415.92 sales and excise taxes. Recently a plan of compromise was accepted by unsecured creditors whereby they secure about 19 cents on the dollar from the sale of the sugar refining plant operated by the company, and the National Revenue Department is to get $15,000 of its total claim. In the plan, it is stated that this is to be paid out of the sugar fund to the Department in lieu of its $63,000 claim "in consideration of its consenting to this plan and its waiver of any further participation in the said fund, provided that the balance of its claim against the company and its rates against the remaining assets thereof are otherwise to remain unimpaired and in full force and effect."

The question may well be asked whether such handling of the situation is fair to other firms who are required to make monthly returns to the government on sales and excise taxes. The great majority of firms are endeavoring to and do conduct their businesses on sound and ethical principles. But are they not unfairly treated when they have to compete with those that are in the picture a brief space of time during which their methods frequently unsettle market conditions and lose money for their shareholders? Why should a few firms be so subsidized and not their competitors?

The Country Weekly

Canadian Grocer

That weekly community newspapers throughout Canada are performing an important function is so well known that it scarcely needs to be repeated here. The best of these country weeklies are giving such a fine service in local news that they are being closely read by the people of the community—and this is a service that large metropolitan newspapers cannot possibly give in these localities. This judgment is backed by no less an authority than Alfred P. Sloan, president of General Motors Corporation, who recently made the statement that the community weekly was the most thoroughly read consumer's newspaper in the United States.

One Canadian weekly reports that a large Canadian food corporation also paid a nice compliment to the town weekly newspapers when it recently said that its company had come to the conclusion that the small community paper offered a most effective advertising medium from the standpoint of the country district consumer. It declared that a recent advertising campaign conducted in these newspapers had proved this fact as the resulting sales per capita were much greater than those obtained from similar campaigns in daily papers in larger centres. The cost, too, was much less in the weeklies.

The main factor in holding subscribers and advertising is READER INTEREST, and it is on this that the value of any newspaper is judged. The well-edited country weeklies are giving the local news which is of first interest to the community and, based on this yardstick, Canada has a great many of good ones.

It Means More Work

Saint John Telegraph-Journal

One lumber operator is quoted as expressing the belief that the lumber cut in New Brunswick will exceed by 30,000,000 feet the cut of last year. One large shipper is quoted as saying that the market will call for even a larger amount. A Nova Scotia shipper anticipates a larger cut in that province but warns against over-cutting. The improvement in the market is due to an enlarged demand from Great Britain. Prices have substantially increased. The Halifax shipper says they are $5 higher than last year.

Whether the increase in the cut in this province is as much larger than that of last year as predicted, it is at least a notable gain that prices are higher and that there is to be more activity in the woods. It is now announced that far more pulpwood will be cut in the next year, and a British journalist has predicted a coming shortage of paper. Any increase in work in the woods and mills will lessen the burden of unemployment, and so much more pleasing could be heard as the winter season approaches.

In the Mail

(Not over 200 words, please)

Wants Them All Shown

Editor, The Financial Post:

The article on the taxes in a package of cigarettes hurts my feelings. The Financial Post really ought to do better. Here are a few taxes included in the 20c. which you missed:

Gas and license tax on tobacco en route to factory.

Real estate tax, business tax, corporation tax, a multitude of sales tax and stamp taxes at factory.

A full set of railroad taxes—numbering dozens.

A full set of dealers' taxes.

On an average one third of all labor costs from farmer to clerk.

Why doesn't The Financial Post pick out some common article, say a pair of shoes, and get all the taxes on it? or as many as you can?

It would make a noble tale. Nothing would be more useful.

ENGINEER.

Windsor.

Editor's Note.—The Financial Post of June 27 last revealed a minimum of 61 taxes in a loaf of bread.

As Others See Us . . . . .

Forced Into Dishonesty

St. Catharines Standard

The Financial Post declares:

"Alberta's new legislation challenges Confederation. It challenges the rights of the Canadian people as a whole."

All debt in Alberta is written down, even for honest people willing and able to meet their obligations. Municipalities which have managed by good and frugal government to remain solvent are enacted by law to pay only part of their bond interest, and it is a crime if interest is paid in full.

It is a remarkable situation that has been created. Honest debtors are enjoined by law to be dishonest.

Newsprint Comes Back

Kingston Whig-Standard

An interesting, comprehensive article in The Financial Post on Canada's newsprint industry reports extensive recovery in that industry. After 7 years in the valley of depression, it says, the newsprint industry is on the way out. It is progressing to more prosperous times, but difficulties still remain to be ironed out. A noteworthy feature of its progress, as shown in the article, is that newsprint production for the 12 months ended July exceeded that of each of the previous 7 corresponding periods by a considerable margin.

Concealed Taxes

Timmins Press

How often have you heard the plea of the disinterested person around election time, "Why should I worry, I don't pay any taxes?" It is common reasoning. Because they do not pay either of the direct taxes, municipal property or income tax, they feel that they are exempt.

But how they fool themselves! Legislators have wasted many good nights of sleep figuring out just how to drain the taxpayers without too much pain and too many kick-backs.

The Financial Post in an editorial "Concealed Taxation" gives a fair example of the type of taxation that nearly everyone pays.

Everyone pays taxes in one way or the other in proportion to the amount of their spendings. Everyone should take an interest in the political affairs.

Week in Business

Higher Prices This Year For Potatoes, Tobacco

Short Crops Affect Both Groups — Royal Bank Survey Shows 49% of U. S. Motor Tourists Come from Two States

High potato prices are expected this winter. This will mean more money to spend by growers in the Maritime Provinces, where the crop is much better than the Dominion average. A normal crop amounts to about 44 million hundredweights whereas estimates place the total yield at only 38.5 for the current season. Drought seriously reduced production in Western Ontario and the southern half of the agricultural sections of the prairies. Allowing around 25% of the total crop for next year's seed and growers' own table consumption, the balance should be worth between $25 and $30 millions in cash to the producers, or considerably more than last year.

Drought also seriously cut into total fruit yields but here again any loss in volume will be more than offset by higher prices. Apples, the principal Canadian fruit, are estimated at slightly over 4 million barrels or about 350,000 below last year's moderate crop. Southern Ontario, the Annapolis Valley of Nova Scotia and the interior southern valleys of British Columbia will share largely in the $8 millions expected by growers for the crop this season.

* * * *

Smaller Tobacco Crop

And down in Southern Ontario the growers of flue-cured tobacco are anxiously awaiting quality and price news on a crop, which means from $5 to $10 millions in cash purchasing power to that area each year. Current estimates place the crop at but 20 million lb. compared with 35 million last year. The sharp drop is due to drought which materially reduced the weight of the crop and to the severe frost of Sept. 24 which took a heavy toll.

The crop is now all through the kilns and into the pack barns awaiting the report of the graders now engaged in estimating the quantity of each grade harvested. This report is expected next week and will be followed by the deliberations of the price committee consisting of 3 buyers and 3 growers which still continues to function as a voluntary organization following collapse of the Natural Products Marketing Act which gave a former committee official status.

Conditions are said to be ripe for considerably higher prices this year. Last year's average was 24 cents a pound. Already prices in U. S. tobacco-growing centres are up to 24 and 27 cents a lb., compared with a range of from 10 to 17 cents last year. Small crop and scarcity of supplies are said to be dominating factors in both cases. But total return to Canadian growers will be substantially lower than last year due to a cut of almost 40% in total crop.

* * * *

Where Do Tourists Come From?

The current monthly letter of Royal Bank of Canada throws some interesting light on tourist trade by analyzing for the first time the place of origin of the visiting motorists who flock in increasing numbers to our shores. Of primary interest are the U. S. cars which come into Canada for 48 hours or more. During the past 1½ years it is found that 26% of these cars came from New York State; 23% from Michigan; 9% from Vermont; 6% from Washington; 4% each from Maine, Massachusetts and Ohio; 3% from Pennsylvania and 2½% from Illinois and California. In all, 84% of the total number of automobiles which entered Canada in this period came from these 10 states. Connecticut, Minnesota, New Hampshire and New Jersey each contributed 1 to 1½% to the total.

As the bank suggests, these figures constitute a new approach to the problem of tourist advertising since more than 90% of the visitors come from 14 states and nearly half of them from New York and Michigan. "Whether or not it may be advisable to spread Canadian advertising over a wider field in order to create enthusiasm in parts of the U. S. not yet familiar with Canada, must be a matter of debate. Clearly a large proportion of the total number of visitors now coming can be reached in States which closely border on Canada."

One phase of the problem not mentioned by the Royal Bank is the widespread effect which Ontario's Quints must be having on this traffic.

Favorable

Wheat Exports continue at high level in spite of small crop. Cumulative figures since end of crop year up 75%.

Carloadings continue to gain despite the fact that grain shipments have reached their peak. Heavy loadings of coal and miscellaneous freight largely responsible for favorable showing.

Unfavorable

Bond Sales and **Boot and Shoe Production** both recorded declines compared with corresponding figures for the same month last year.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1936	1935	—Cumulative Total— Jan. 1 to date 1936	1935
Transportation—				
Car loadings (Oct. 3)	▲60,278	58,364	1,849,300	1,775,112
C.N.R. gross earn. (Oct. 7)	$ ▲4,143,000	$ 3,942,766	$ 138,791,312	$ 129,071,733
C.P.R. gross earn. (Oct. 7)	$ ▲3,189,000	$ 3,316,000	$ 103,129,000	$ 94,351,000
Business Conditions—				
Weekly index D.B.S. (Oct. 3)	▲114.9	93.4	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions				
Financial Post index (Aug.)	122.6	104.2	......	......
Transportation—				
C.P.R. net revenue (Aug.)	$ 634,484	$ 508,339	$ 8,404,584	$ 8,096,540
C.N.R. net revenue (Aug.)	$ 680,581	$ 569,672	$ 3,242,824	$ 3,843,331
Iron and Steel (August)—				
Pig iron production (tons)	38,570	54,414	413,893	364,704
Steel ingots and castings prod. (tons)	80,164	82,488	727,657	556,752
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Aug.)	4,407	3,950	72,686	67,251
Factory output (Aug.)	3,051	5,524	97,607	105,385
Trucks and Buses:				
Domestic sales* (Aug.)	1,487	1,415	16,289	13,644
Factory output (Aug.)	1,609	2,168	23,476	26,701
Exports (Aug.)	2,748	5,005	36,838	48,077
Construction—				
Building permits (August)	$ 3,672,845	$ 4,311,968	$ 25,788,767	$ 33,348,881
Contracts awarded (Sept.)	$ 16,558,500	$ 14,743,100	$ 127,671,600	$ 132,724,200
Newsprint (tons)—				
Production (Aug.)	270,053	236,060	2,033,943	1,755,209
Exports, tons (Aug.)	257,576	220,866	1,851,918	1,603,875
Sugar (lb.)—				
Melting & sales§ (raw)	83,662,963	74,223,266	580,793,073	556,294,119
Manufactured§	78,496,030	71,183,208	559,416,632	550,624,612
Flour (bbls.)—				
Production (July)	1,300,667	991,559	7,828,026	6,134,108
Wheat flour exports (Sept.)	▲378,318	395,640	3,502,123	3,410,379
Trade—				
Retail trade (index no. of sales) (August)	75.1	69.6	......	......
Imports (August)	$ 50,257,754	$ 49,560,063	$ 397,883,401	$ 358,346,853
Exports (August)	$ 93,529,756	$ 76,638,360	$ 603,043,991	$ 493,244,579
Wheat exports (bush.) (Sept.)	▲20,720,316	17,272,672	162,377,678	93,134,112
Employment, D.B.S. Index (Sept. 1)—				
All industries	107.1	102.7	......	......
Manufacturing	105.9	100.8	......	......
Electric Power Output (Aug.)—				
Total monthly m.k.h. (000's omitted)	2,020,100	1,851,153	16,481,034	15,022,791
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (August)	168,440	164,542	976,922	853,633
Boot & shoe prod., pr. (Aug.)	▲2,002,895	2,153,955	14,711,557	14,546,387
Crude petrol. imp. gal. (Aug.)	146,313,749	126,729,590	745,098,829	721,008,757
Cotton imports, lb. (Aug.)	7,096,721	7,027,396	82,533,491	76,992,046
Raw rubber imp., lb (Aug.)	8,466,634	6,303,645	38,172,733	39,198,312
Coal imports, tons (Aug.)	1,558,179	1,523,828	8,003,914	8,097,986
Finance—				
Bank debits (Aug.)†	$ 2,619,152	$ 2,497,602	$ 22,759,663	$ 20,258,840
Bond sales (Sept.)	$ ▲176,935,250	$ 194,626,102	$1,009,845,746	$ 651,566,437
Life insurance sales (Aug.)	$ 25,011,000	$ 26,854,000	$ 245,344,000	$ 240,564,000
Automobile Financing (Aug.)—				
Used cars	$ 2,089,839	$ 1,712,378	$ 18,295,965	$ 13,294,463
New cars	$ 2,203,440	$ 1,692,405	$ 22,659,029	$ 17,356,934

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to September 5

Corporation Bonds

Current strength in demand for public utility and industrial investment securities reflects the increasing volume of general business activity and improvement in earnings and prospects.

Our weekly offering list includes issues showing attractive yields as well as possibilities of capital appreciation. Copies on request.

Royal Securities Corporation
Limited
244 St. James Street, Montreal
330 Bay Street, Toronto 2
Offices throughout Canada; also in New York and London.
29

Hardware Sales Lead in August

Hardware sales continue to lead the way in retail recovery. August sales as reported in latest Bureau of Statistics indices were up 19% over the same month last year. The general index gained 8% after adjustment for seasonal variation and for the number of days in the month. Furniture sales were 11% greater and department stores showed an 8% rise.

Monthly:	August	—Change— From prev. period %	From prev. year %
Contracts award.*	$16,558,500	+6	+12
Retail Trade (Index numbers):			
Boots & shoes	68.1	+0.2	—1
Candy	58.3	+1	+3
Men's clothing	65.0	+4	—0.9
Women's clothing	63.7	—2	+5
Departmental	76.7	+8	+8
Drugs	73.1	—3	+1
Dyers & cleaners	75.4	—9	...
Furniture	81.5	—2	+11
Groceries & meats	75.9	+2	+7
Hardware	99.3	+4	+19
Music & radio	41.1	—20	—6
Restaurants	52.6	—0.7	+3
Variety	89.6	+1	+7
General index	75.1	+3	+8

*September.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to October 3.

Argentina—Optimism is felt over the improved export position and the favorable outlook for the remainder of the year.

Brazil—Retail sales have declined slightly in Rio de Janeiro and Sao Paulo, but the level of industrial activity is well maintained.

Uruguay — With climatic conditions remaining favorable the outlook for the coming wool crop, the cattle industry, and cereals appears excellent.

Peru—Uncertainty over approaching elections is reflected in diminished commercial activity, notwithstanding the absence of other adverse factors.

Colombia — Uneasiness in commercial and financial circles was evident during September, and both wholesale and retail movement receded slightly.

Venezuela — Imports remain up, and the new coffee crop, of good quality, is expected to approximate an unusually high figure.

Mexico—Industry and commerce resumed their normal stride, following avoidance of the general strike called for August 15, and wholesale and retail sales continue satisfactory.

Guatemala—Following a moderately active trade in the closing weeks of August, a sharp seasonal decline occurred in September, in some lines appearing more pronounced than last year.

El Salvador — Commercial turnover in September was more than seasonally constricted as a result of lack of optimism among buyers.

Honduras — September proved a good month for trade, with new orders more in evidence than at this time last year.

Cuba—Business in general during September moved upward, although the trend was less pronounced than usual at this time.

Dominican Republic—Absence of stimulating factors kept business quet during September.

Jamaica — Normally satisfactory economic conditions prevail and the outlook continues promising.

Trinidad Electric Dispute Nears End

Municipality to Have Law Proclaimed Covering Property Transfer

From Our Own Correspondent

MONTREAL. — Cable dispatches from Trinidad state the municipality of Port of Spain intends to settle the 3-year dispute with the Canadian-owned Trinidad Electric Co. by bringing into force a law on the Trinidad statute books which has never been proclaimed.

When the Trinidad Electric's franchise expired, the municipality exercised its right to take over the property. The price set by the company was considered too high and the matter became the subject of a dispute. An arbitration committee settled all but one item of contention. This was taken to the Privy Council and will be heard next week.

Regardless of the decision, the dispatch states, the company's holdings will pass to the municipality early next year. A law which will compel the company to hand over its assets will be proclaimed and the dispute settled.

'Peg Needle Trades Show Fast Growth

Greater Winnipeg's fastest growing industry — the needle trades — now numbers 112 plants, whose combined output is in excess of $7 millions, its payroll nearly $2.2 millions, says the Industrial Development Board of Manitoba. The list includes 29 manufacturing women's and men's clothing, 18 men's furnishing goods, 14 hats and caps, 26 fur goods and 25 miscellaneous products.

Winnipeg boasts it is now the greatest clothing trade centre west of Toronto.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$5.75	$6.20	$6.50
Hogs	8.90	8.65	9.85
Copper, lb.	.09¾	.09¾	.09
Cotton, lb.	.1229	.1253	.1120
Rubber, lb.	.1650	.1640	.1259
Sugar, raw, lb.	.0335	.0335	.0365
Silk, lb.	1.75	1.68	2.07
Wheat (Man.) bus.	1.12⅝	1.09⅝	.91½
Coffee, lb.	.08	.08⅛	.06⅞
Hides	.11¾	.11¾	.12
Weekly Indices			
N. Y. Annalist	127.5	127.8	130.2
Fishers'	84.0	84.0	85.6
N. Y. Journal of Comm.	82.0	81.6	82.3
Crumps (Brit.)	71.7	71.4	66.8
U. S. Labor	81.0	81.4	81.0
Canada (D.B.S.)	76.7	76.6	73.0
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	81.2	80.5	79.4
W'sale (Aug.)	76.2	74.4	71.7
U. S Labor (July)	80.5	79.2	79.4
Gt. Brit. (July)	82.0	81.1	77.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York; Hogs — select bacons, Toronto.

Background of Business

Motor Makers Expect Increase in '37 Exports

Season's Overseas Sales Up 11% Despite Current Low Shipments

Though export sales of Canadian-made automobiles have been lower in recent months than a year ago, prospects for the coming season are considered excellent by leading firms, according to information gathered by The Financial Post. The current falling-off in demand is attributed to seasonal slackness and to an earlier "change-over" in many lines than a year ago.

Canadian exports of automobiles and automobile parts for the first 10 months of the 1936 "season" are 11% above corresponding figures last year. The "season" is calculated from Nov. 1 which (since 1935) marks the start of the motor car year. On this basis total exports to the end of August were $39.3 millions compared with $35.3 millions in the same period last year.

General Motors of Canada expect export sales will be 25 to 30% ahead of last year due to better prospects for marketing Chevrolet and Buick in United Kingdom and to the fact that the New Zealand market is open for the first time in several years, due to ability of the company to meet content requirements. All companies are still worried about prospective sales to Australia due to the quota set up in that country's last budget, but it is hoped that market prospects will be improved following the visit to that country of Hon. W. D. Euler. One interesting but unconfirmed rumor points to additional export sales for Canada, in England and the Empire, due to armament activity in British plants which has reduced their ability to supply their customary home and export markets.

* * *

New Cars Arriving

Meanwhile Canadian manufacturers are swinging rapidly into 1937 production. Chrysler Corp. of Canada gave private showings of their new cars to dealers this week while General Motors expects to display its entire line to newspapermen somewhere near the Oct. 25 week-end. Ford of Canada is still surrounded in mystery as to plans and models but is apparently going to be well in the fore by the time the doors of the National Motor Show swing open Nov. 7.

There are no price tags available as yet except on Packard and Studebaker which have been on the market several weeks but present indications point to lower prices on imported cars and a continuance of stiff competition among domestic manufacturers.

* * *

Meat Stocks Soar

Probably as a result of forced or hurried livestock marketing due to the drought threat to feed supplies last summer, cold storage meat stocks were considerably higher at the beginning of the current month than a year ago.

According to figures compiled by the Dominion Bureau of Statistics stocks of pork in Canadian cold storage at Oct. 1 were approximately 28 million pounds or 40% above the same period a year ago. Beef stocks at 16.5 millions represented a gain of 34%. Lard was down almost 29%.

* * *

Plastic Glass

A new, flexible, water-clear plastic, that is claimed to be as strong as glass and can resist tension of 4 or 5½ tons a square inch, has been described before the American Chemical Society at Pittsburgh. This plastic is known to chemists as methyl methacrylate polymer. It is only half as heavy as ordinary glass, as clear as optical glass and can be sawed, cut, drilled, polished or molded into any desired form, the description states.

It was also pointed out to the society that solutions of the plastic and the liquid intermediate form have been used as impregnants for wood, cloth, paper, stone and electrical apparatus. Materials treated in this way are claimed to be more resistant to water, oils and chemicals.

* * *

Clock Making

With 250 parts as the average number going into each clock, and with the Canadian plant now making 80% of these, a day's production in the plant of the Western Clock Co., Peterborough, means the manufacture and assembly of 940,000 shafts, cogs and levers, says Canadian Machinery.

These range in size from the main clock frame down to the tiny guard pin, of which it would take 130,000 to weigh one pound. Into the more than one million clocks turned out each year goes 200 tons of brass and 30 tons of other metal. In their distribution are used many carloads of paper boxes and corrugated cartons. This production is maintained by 450 employees.

* * *

Stove Statistics

Stove manufacturers made a gain of 14% in value of products produced in 1935, according to official figures from the Bureau of Statistics at Ottawa. The figure is $7.5 millions compared with $6.5 millions the previous year. Compared with 1933 the increase was 60%.

The most popular type of stove is still the coal and wood variety of which 83,000 were produced in 1935 compared with only 49,000 back in 1932. Then comes electric cooking plates and grill to the number of 71,000 compared with only 29,000 in the low year 1933. Heater stoves of the "Quebec" variety numbered 58,500 compared with 25,000 3 years ago while electric cooking stoves nosed out gas ranges for the first time in many years with an output of 24,000 compared with 18,500 the previous year. Gas stoves numbering 23,900 were produced compared with 20,600 in 1934.

* * *

Canned Wine

Canned wine has made its first official appearance on this continent 15 carloads of same being shipped from California for distribution in the East.

If this latest move is successful it may have widespread results, says Business Week. Some of them are: mass attacks by canmakers on wine bottles securing the support of the powerful can companies in the campaign to boost wine consumption; general increase of the home market for wine; stronger competition of wine with beer and other alcoholics.

* * *

Jap Competition

Some of the ways in which Japanese competition is affecting United States retailers are shown in a compilation by Hardware and Retailer recently.

In addition to textiles, pencils, flashlights and other items which have been widely publicized the following tabulation shows other commodities in which Japanese (through their lower cost figures) are making stiff competition.

Product	Quantity	U.S. Price $	Japanese Price $
Noisemakers	gross	3.20	1.10
Kazoos	gross	2.85	.96
Hindu game	gross	18.00	6.00
Glassware	dozen	3.00	1.50
Dinnerware	66 pcs.	37.42*	17.03
Grill plates	dozen	6.00	1.80
Tea pots	dozen	3.89	1.85
Berets	dozen	3.91	1.75
Rubber dolls	gross	13.00	9.60
Baby caps	dozen	4.25	1.20
Woollen gloves	doz.	5.50	2.65
Fly swatters	gross	4.20	3.20

*Manufacturing cost in United States. All other U. S. prices quoted are wholesale.

* * *

Chain Store Taxes

Increased taxes for chain stores seem indicated according to Hardware and Metal, Toronto. The assessors' section of the Ontario Municipal Association at a recent meeting proposed increased business assessment on chain stores from 25 to 50% of the assessment for general purposes and also an increase in the business assessment on chain store warehouses and offices to 75%.

Quebec City has a bill expected to come before the provincial legislature when it meets containing clauses providing for special taxes on all chain stores but especially food and drug stores. The Quebec city council declared itself recently in favor of a special tax of $500 or more on chain stores.

* * *

London Builders Active

Not for at least 7 years has London's sanitary and heating engineers had as busy a fall season as they are now enjoying, says Sanitary Engineer. Home building has been brisk all summer and work is starting on a number of other projects for fall. The result is an active demand for plumbing and heating equipment.

Many men in the trade have enough work on hand now to keep them busy until near the end of the year and a bright spot in the situation is that a number of new jobs is being announced.

* * *

Photosculpture

Demonstration was made recently of a new process called photosculpture.

Working on the principle of the photographic camera, the apparatus produces solid models of objects exposed before the lenses. With this invention it is said to be easy to produce substantial replicas of complicated devices of all sorts. The process occupies only a few minutes.

The apparatus is manufactured under agreement by Sir Howard Grubb, Parsons and Co., of Heaton, Newcastle, makers of optical instruments and telescopes, a subsidiary of Messrs. C. A. Parsons and Co., electrical plant manufacturers.

* * *

Transport Body Looms

Progress in the formation of a Dominion-wide transport association seems likely in the near future, says Bus and Truck Transport. The Manitoba association has suggested to the 2 prairie groups that a meeting be held in Winnipeg in November to discuss union, and it seems likely that British Columbia would join in such a move.

Ontario and Quebec associations have been discussing the matter for some time, but no actual move has been made. The next meeting of the Ontario association is slated for the Château Laurier, Ottawa, Oct. 9, and the whole matter will be discussed there. Quebec representatives will be invited to be present at the meeting.

Changing Conditions

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

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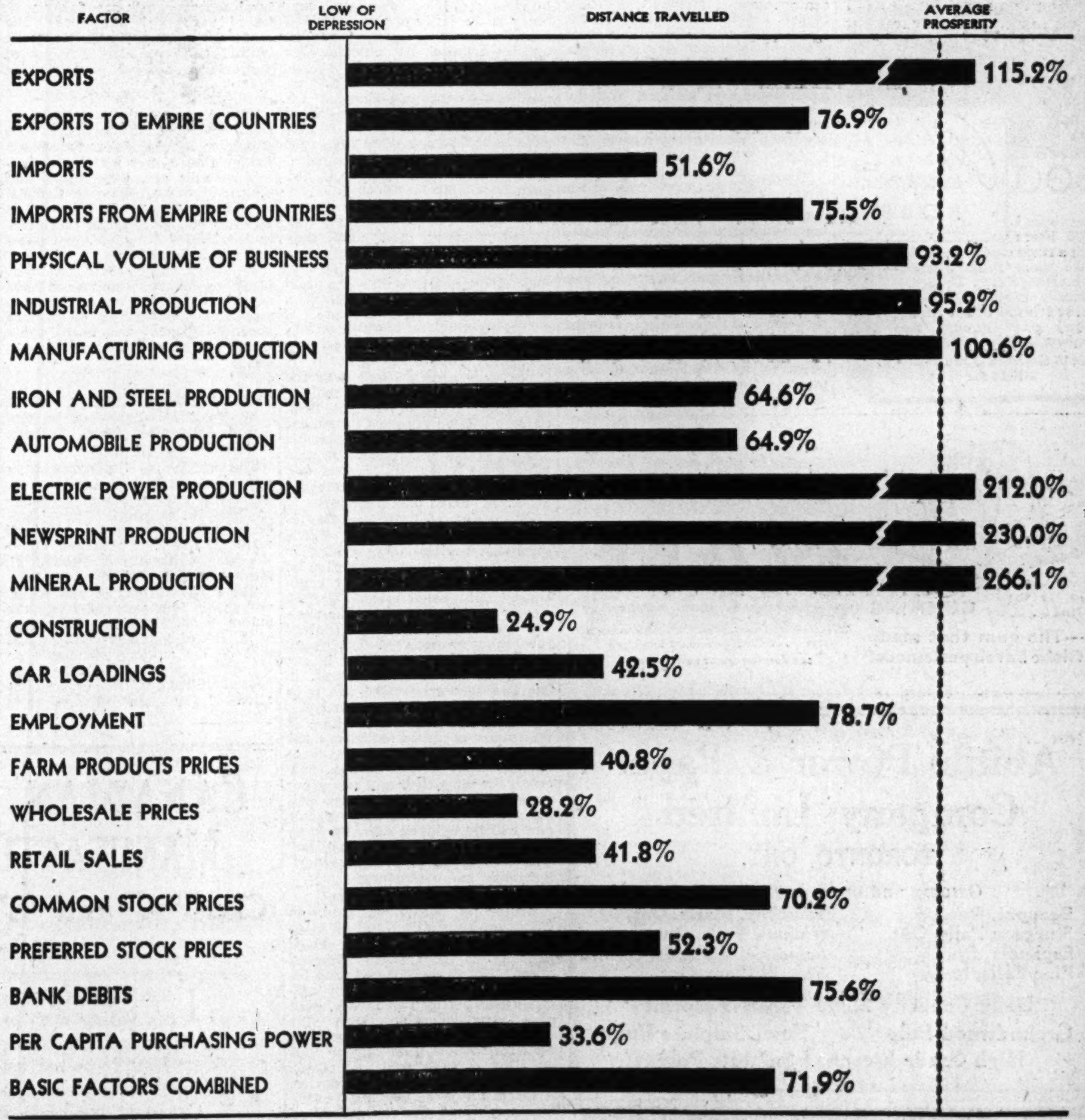
RESEARCH DEPARTMENT — J. J. GIBBONS LIMITED, ADVERTISING AGENTS

CANADA'S PROGRESS TOWARDS PROSPERITY

SEPTEMBER, 1936

1. The object of this chart is to portray the distance travelled by each factor from the low of the depression towards a point of average prosperity.
2. The line representing the low of the depression is determined by the lowest index figure recorded for each factor within the first four months of 1933 (when the depression reached its lowest ebb) ratioed against the index of average prosperity.
3. The dotted line of average prosperity is determined by taking an average of monthly indices for each factor for the four years 1926-1929.
4. The distance travelled towards average prosperity, as shown by the black bar-lines, is determined by:
   (a) taking the average of the monthly indices for each factor for six months ending August 31st, 1936, ratioed against the index of average prosperity, and
   (b) by calculating the ratio of that index to the difference between the index of the low of depression and the index representing average prosperity.



LONG-TERM BOND YIELDS decreased from 4.532% in April 1933 to an average of 3.083% for the six months ending August 31, 1936

COMMERCIAL FAILURES decreased from 216 in April 1933 to a monthly average of 107 for the six months ending May 31, 1936.

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Any office of J. J. Gibbons Limited will be glad to mail copies of this chart (as long as they are available) to anyone interested.

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Give Women Special Study From Ottawa

New Women's Committee To Study Problems of Jobless

FIRST OF KIND

From Our Own Correspondent

OTTAWA.—The "Women's Employment Committee," which was submitted by the National Employment Commission to the Minister of Labor this week for his approval, is the first federal body expressly set up to aid unemployed women.

Like the "Youth Employment Committee," it forms part of a National Advisory Committee for which provision was made in the act. These 2 subcommittees, rather curiously, were created before the main committee itself was named.

Mrs. Sutherland's Leadership

The appointment of Mary McCallum Sutherland to the main commission, several months ago, indicated the desire of the Dominion Government to have special attention given to this phase of the general unemployment problem. Mrs. Sutherland has devoted practically all her time since her appointment to commission duties, has travelled across the country from coast to coast, has been out in some of the frontier settlements of unemployed in northern Quebec and Ontario as well as in the main centres of population. It is on her recommendation that the "Women's Employment Committee" is being appointed.

Mrs. Sutherland found in her exploratory work the problem of unemployed women has been largely ignored or obscured in the business of creating work or establishing camps for the men. Although over 500 suggestions have been considered by the commission for the employment of men, only 3 or 4 have come along for the women. Studies of methods in other countries where unemployment has been prevalent have not been particularly fruitful to date.

No Accurate Figures

It is not even possible to obtain a reasonably accurate total of the unemployed women in Canada. Many of the unemployed youths, most of the single jobless men and nearly all the unemployed heads of families are on relief, and it has been possible to count them in the September registration.

There are, for example, about 175,000 jobless youths between 18 and 25. But the commission census will miss the unemployed women almost entirely, because very few of them are separately on relief. Most of them are living at home. While they are better off in many respects than the transient men, their unemployment is just as real and capable of just as disastrous psychological effects, it is claimed, as among the men.

Mrs. Sutherland found in her recent tour across the country that in some occupations there was a glut of applicants for jobs, and in others a marked shortage. Trained domestic servants were in demand in many centres. School teachers were being turned out in many parts of the country far faster than they could possibly be absorbed. So were nurses. Hundreds of college graduates could not find work suitable to their attainments and training, and did not care to accept work in other spheres, where high standards of education were not required. The professions are being overcrowded.

So far the most hopeful field which has been examined is the training school for domestic servants. In different parts of the country such institutions have arisen to the number of 20 or 25. It is claimed that they result in raising the wages of domestic servants, improving their efficiency, and in securing better conditions. Since the demand in some parts of the country is growing for the trained domestic servant, it is quite probable that assistance will be given by the Federal Government to the extension of this sort of educational work.

Saskatchewan's "Archie"

There's No "Side" to Prairie Province's New Lieutenant-Governor — Never Defeated

Hon. A. P. McNab, Saskatchewan's new lieutenant-governor, is so different from any of his predecessors in that office he just naturally attracts interest, just as all his life he has attracted and then cemented firm friendships.

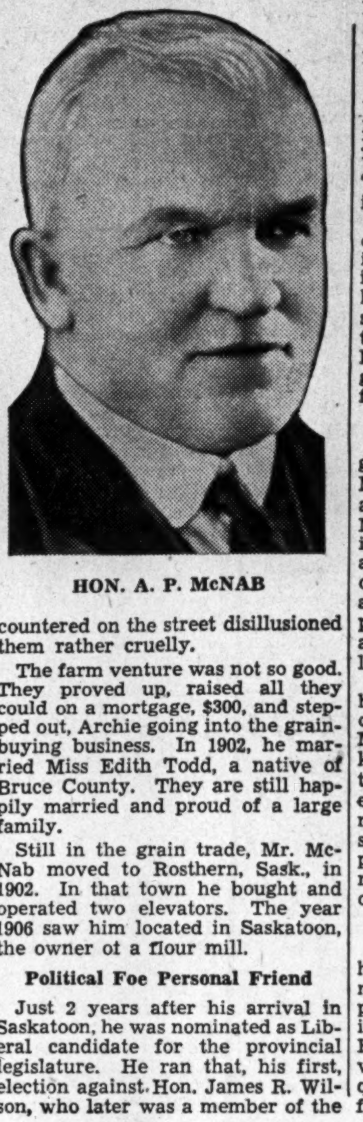
They call him "Archie" on the prairies. And "they" means about everybody, young and old, high or low, who happens to know him. Just how far that habit went is, perhaps, indicated in recalling a statement he made in the legislature some years ago.

He was telling in his own way about an inspection trip. At the time he was minister of public works and he told what certain jail prisoners had told him. The prisoners, according to his own story, started off like this: "Archie, we . ." There's no "side" to the new lieutenant-governor. The day before he moved to Government House he arrived belatedly to answer a telephone call. "Sorry to have been so long answering, but I was down in the basement cleaning it up before I moved," he explained.

Is Ontario Born

This is not a biography, but it is necessary, to get the picture of his career, to say he was born on a rocky farm in Wellington County, Ontario, either the older or younger of a set of twin brothers. That event was in 1864 and in 1882 the twin brothers arrived in Winnipeg, short on education, short on money, but keen to find a homestead that was free of rocks.

They found such a one, a farm that was so sandy they were lucky when they got half a crop. Arriving in the Manitoba capital on a Saturday, the McNab boys carried their trunk through the streets to a boarding-house, thus saving 25 cents. The following morning they slicked up; dressed themselves in brand new homespun suits, farm-grown wool and home made.



HON. A. P. McNAB

The boys thought they looked pretty swell until 2 girls they encountered on the street disillusioned them rather cruelly.

The farm venture was not so good. They proved up, raised all they could on a mortgage, $300, and stepped out, Archie going into the grain-buying business. In 1902, he married Miss Edith Todd, a native of Bruce County. They are still happily married and proud of a large family.

Still in the grain trade, Mr. McNab moved to Rosthern, Sask., in 1902. In that town he bought and operated two elevators. The year 1906 saw him located in Saskatoon, the owner of a flour mill.

Political Foe Personal Friend

Just 2 years after his arrival in Saskatoon, he was nominated as Liberal candidate for the provincial legislature. He ran that, his first, election against Hon. James R. Wilson, who later was a member of the Meighen cabinet. Mr. Wilson was mayor of Saskatoon at the time and Archie was considered a stranger in the community.

He was so new to his constituents that when he made his first campaign speech a man in the audience jumped to his feet and called for three cheers. He did it like this: "Three cheers for——Who the hell is he anyway?"

Perhaps the best sidelight on the character of Archie McNab is shown in incidents of that and future political campaigns, in none of which did he ever taste defeat. He was a personal friend of his first political foe; they were together in the campaign; later were business partners in the grain business. And they remained friends.

Gaelic Turns Trick

At time of that first campaign, a gang of 36 men were digging sewers. Mr. Wilson thought he had that vote as he was mayor of the town. Archie McNab knew he didn't have it and it worried him. Just by chance, he addressed the mother of the foreman of the gang in Gaelic. The lady he addressed took him to her heart, promised him her husband's vote and the vote of her 6 sons. She delivered, too.

In a later campaign, Mr. McNab had to run against and defeat another personal friend, Hon. H. E. Munroe, the man who just left Saskatchewan's Government House. In that campaign, Mr. McNab appointed himself official censor of the local newspaper; threatened to resign and support his opponent if the paper published anything about Dr. Munroe that Mr. McNab did not approve of. An irate editor had to obey.

Always Cabinet Minister

Mr. McNab, in addition to never having been defeated in an election, never sat in the legislature as a private member, being named a cabinet minister after his first victory. He did not contest the 1929 election when the Liberals in power for a quarter of a century suffered their first defeat.

New Books

THE DOWNFALL OF THE GOLD STANDARD. By Prof. Gustav Cassel. Published by the Oxford University Press, Toronto. Price $1.75.

TEN YEARS OF CURRENCY REVOLUTION, 1922-1932. By Sir Charles Morgan-Webb. Published by George Allen & Unwin, Toronto and London. Price $2.50.

SYMMETALISM. By Barthold A. Butenschön. Published by George Allen & Unwin, Toronto and London. Price 3.75.

THE FRENCH FRANC AND THE GOLD STANDARD. By Phillip F. Vineberg. A Guy Drumumond publication obtainable from the assistant bursar, McGill University, Montreal. Price 35 cents.

What will the world's monetary system be tomorrow? The old "unreformed" gold standard is gone. In most countries "managed" currency is the order of the day. Will the gold standard, suitably doctored up to remove its objectionable weaknesses, come back? Or is managed money inevitable? And if so, who will do the managing and for what purposes; exchange stability, internal price stability or, if possible both? Or is that apparent contradiction in terms, a managed international gold standard, the goal?

Cassel Sings Dirge

The greater economists are not agreed. Some of them admit they do not know. But a few hardy ones among them are very positive in their opinions. One such is the great Cassel of Sweden. His volume "The Downfall of the Gold Standard," is an illuminating and brightly sketched history of the world's post war monetary difficulties. But it is more; it is a dirge sung over the dead body of gold. The downfall of the gold standard is in Prof. Cassel's opinion the most prominent and definite feature of the economic history of our generation. In this volume he gives his reasons and does so with that masterly simplicity of expression that is his forte.

Morgan-Webb Hails New Day

Sir Charles Morgan-Webb tells a somewhat similar story, writing in terms that are more suggestive of the propagandist than of the economist but nevertheless writing clearly and challengingly. The post-war years have seen a monetary revolution, he declares. The monetary system of the future is not something yet to be developed. It has already been created and is in operation wherever money today is managed. The American edition of the volume appeared earlier and has already been reviewed in these columns. The British edition, now out, is the same clear and competent presentation of a story that will carry conviction with many people and will be enjoyed even by those who are ready to "wait and see" what comes out of present experimentation and controversy.

An Alternative System

While the debate on gold, on silver, on bimetallism and on managed money proceeds, a large school presents, as the answer, "symmetalism." Not to be confused with bimetallism, which provides for currency backing by two metals, each one interchangeable with the other on an agreed ratio, a symmetalism would back money with an alloy of both gold and silver. Thus, by a single ingenious device, it would bring the warring factions together; would give the gold-using West and the silver-using East a chance to trade on common ground.

Mr. Butenschön's exposition is clear, concise and fair, for he discusses the technical difficulties in the way of the adoption of symmetallic standard while presenting the case for it. His study runs strongly to mathematical formulae which means that it will not be popular with other than professional economists.

France's Losing Fight

Mr. Vineberg is a brilliant young McGill research student who received a Guy Drummond fellowship. He used it to go to Paris where he made an intensive study of France's fight to avoid devaluation. His study, competently recording the recent monetary history of France and discussing the significance that it has in relation to the world's future monetary policy, has been published in a paper-bound pamphlet with a foreword by Stephen Leacock.

Mr. Vineberg's observations of France's effort to cling to gold have made him very lukewarm as to the possibilities of the gold standard, even a managed gold standard, being retained and fought for in the world.

PUBLIC LIFE. Second of a series of pamphlets by W. H. Moore, M.P. Published by the author at Pickering, Ont. Price 25c.

Mr. Moore herein continues his exposition of the reasons why Canada must balance its agricultural economy with a suitably protected industrial structure. His argument is neatly turned and will embarrass some of our more enthusiastic political propagandists for the complete or virtual abolition of the tariff.

"There are members of the Canadian Parliament," he says, "who stipulate for stipends twice the British rate of pay for parliamentary services and then argue that they, and other people in Canada, should be allowed to buy clothes at about the price-range of clothes in the United Kingdom, and gasoline at the Texas price."

He notes the curious fact that tariffs on foodstuffs appear to have our almost general approval; while mention of protection on factory goods brings protest as to the disastrous effect on the consumer's dollar.

THE RAILWAY WORKER. By G. M. Rountree. Published by Oxford University Press, Toronto. Price $3.

The volume is the result of a special research into the employment and unemployment problems of Canadian railways. One of McGill University's social research series, it has been prepared under the joint editorship of Prof. J. C. Hemmeon and L. C. Marsh.

The subject is one of vast scope, and in his four years of study the author penetrated into all corners of it. But of widest general interest will be the author's comments on the employment and dismissal aspect of unified operation or consolidation of Canadian railways as a solution of the country's financial difficulties.

Mr. Rountree minces no words in declaring that the ultimate interests of railway workers can be protected only by placing the railways on a sound economic foundation. He feels that, if a concrete plan for the protection of employees under unification were drawn up, organized labor might be brought to support unification. The author seeks genuine solutions for the problems that are sure to arise if and when further necessary railway economics are planned. His attitude is in contrast to the negative approach of Prof. Hemmeon in the introduction to the volume.

HALF WAY WITH ROOSEVELT. By Ernest K. Lindley. Published by the Macmillan's in Canada, Toronto. Price $2.75.

Ernest K. Lindley is a newspaper friend of Roosevelt who is associated with his Republican arch-enemy, the New York Herald-Tribune. He writes as a friendly critic, surveying Roosevelt's first four years of social revolution. He finds 16 Roosevelt accomplishments to extol and 7 major blunders to deplore. Whether Roosevelt or Landon is elected, he expects less pressure for reform in the next few years.

A GRAPHICAL SURVEY OF THE CANADIAN TEXTILE INDUSTRIES. Paper covers. Price $1.50. Published by McGill University (Research Offices, 3466 University St., Montreal) and Oxford University Press (Amen House, University Ave., Toronto).

This book is number 4 of a series on social research being carried out by McGill University under the guidance of the Social Science Research Committee. The material presented is largely a re-publication of the data collected and published by the Dominion Bureau of Statistics. It differs in that the Bureau's findings are published in a dozen or more reports, whereas in this survey the statistics are brought together in handy and convenient form. As a source book on Canadian textile statistics the survey is of value, though it would have been of greater usefulness had more up-to-date figures been used (the latest returns are for 1931). However, it is pointed out by the director of the committee that this survey was undertaken partly as a background for a detailed study of the cotton industry which is in progress and to supply "objective material for those who wish to study the industry in greater detail or from particular points of view."

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Ontario Hydro Reduces Rates Throughout Niagara System

Ontario Hydro-Electric Power Commission has reduced rates to all primary consumers of power in the Niagara district which covers all southern Ontario west of Whitby and north to Lake Simcoe. The reduction works out at $2.50 per horsepower and an average of $1 for every consumer served. There are 2.1 million people in this district.

Just how far the reduction to the municipalities, which are the market for Hydro power, will be passed on to consumers will vary with the community. It is stated that there will be a total reduction of $700,000 in accounts sent to Toronto consumers. It is possible, however, that the householders may not receive the benefit in lower rates for electric lighting. It has been generally recognized that Hydro has given domestic consumers in the past rates lower than are justified by costs and to make up for that has charged commercial users of power too much. The political advantage of giving lower rates to householders was obvious. Now, it is suggested, Hydro may try to drop its rates for commercial power to a point where they will compare favorably with Quebec rates. Rural consumers also may be given power and light at lower cost.

The reduction in charges has been made possible by the cancellation of former contracts with Quebec power companies.

B. C. Telephone Withholds Bond Redemption Action

MONTREAL.—British Columbia Telephone Co.'s offer to the holders of $10 millions of 5% first mortgage bonds, maturing 1960, to convert into 4½% first mortgage bonds, series B of the same company, maturing 1961, has been accepted to the extent of $6.6 millions, leaving approximately $3.4 millions still outstanding.

Because of fluctuating conditions of foreign exchange, it is understood that B. C. Telephone will not call for redemption at this time the remaining 5% first mortgage bonds, but that the company will proceed with the redemption of these bonds as soon as exchange conditions become more normal.

The conversion offer was carried out by W. C. Pitfield & Co. Ltd., which headed a syndicate of Canadian investment dealers and Robert Benson & Co., of London.

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The 1½-TON INTERNATIONAL
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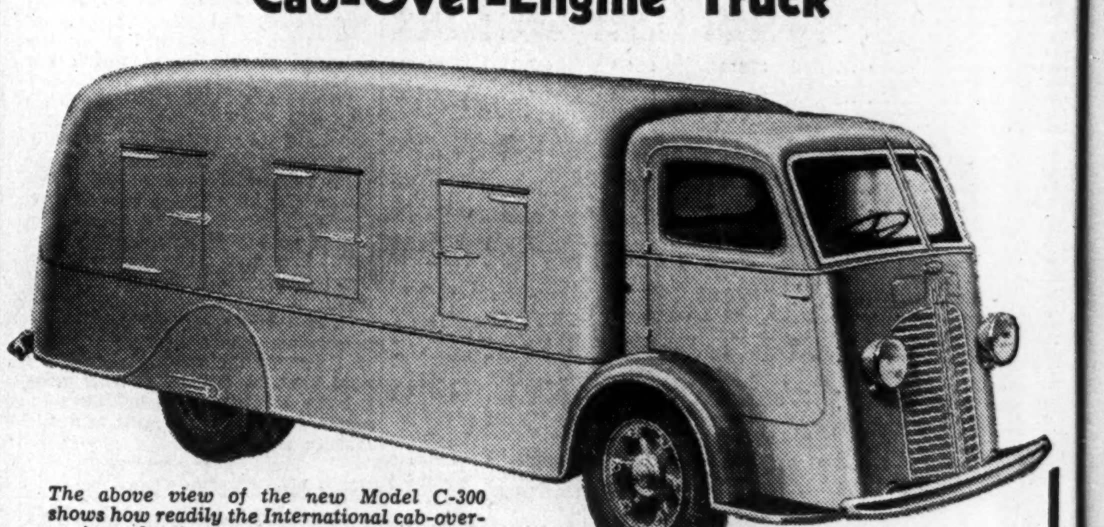

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Economic Investment

I would appreciate a brief report on earnings and prospects of Economic Investment Trust.

Economic Investment Trust has $949,500 of 5% bonds ahead of the 39,925 common shares of $25 each. From last year's earnings, dividends totalling 87½ cents a share were paid, so that the yield at the current price of about $28 a share would be about 3%. Equity per share at March 31, 1936, was $35.16. Earnings were 97 cents a share last year. Throughout the depression the company was able to earn its bond interest by a wide margin and has paid common dividends every year since its formation in 1927. Naturally, earnings on the common stock and the value of the company's portfolio declined, but the company's record in this regard is better than many other investment trusts.

Int. Hydro-Electric

We are considering making an investment in the debentures of International Hydro-Electric System. Can you let us have a report on earnings, particularly, as they apply to interest payments?

International Hydro-Electric System appears to have passed through the worst of its difficulties. Financial statements of the company show that funded debt charges and depreciation have been covered after making provision for all underlying charges. In 1935 the surplus after interest was over $1.1 million, as compared with $1.4 million in the previous year.

Interim quarterly statements issued by International Hydro-Electric this year show a rather substantial increase in expenses and taxes, but net earnings are still sufficient to cover interest charges.

Toronto Elevators

I would appreciate an analysis of Toronto Elevators 7% preferred stock.

Toronto Elevators Ltd. had $1,486,300 of 7% preferred stock outstanding last year. The original issue was $1.5 million. The shares are convertible, one share of preferred into 3 common shares, at the holder's option. Since the common shares have been selling around $35 and have at times been over $40 a share, this conversion privilege occasionally raises the value of the preferred to high levels. However, the preference stock is redeemable at $110 a share, so that to pay a higher price is similar to purchasing common shares.

The company has elevators at Toronto, and a subsidiary elevator at Sarnia. Substantial revenue is believed to have been received from storage of western grain when the wheat carryover was large. Some of this revenue may not now be available to the company, but it also carries on a profitable feed business. Earnings have run as high as $310,000 in a year, compared with preference dividend requirements of $105,000. In the year ended July 31, 1935, net profits were $181,000, equivalent to $12.22 a share on the preferred. This is a reasonably good margin over the dividend. The record since 1929 shows the company to have been managed satisfactorily, and the preference dividend earned and paid at all times. The company has no funded debt, but has a mortgage due to the city of Sarnia for nearly $600,000 on its elevator in that municipality.

Dominion-Scottish

I would like information as to the present position of Dominion-Scottish Investments Ltd.

Dominion-Scottish Investments has $2,985,000 of preferred shares of $50 par value outstanding. There are 60,000 common shares of $1 each. You can purchase a unit of one preferred and one common share for about $43, compared with a break-up value per share of the actual investment of $46.82, as at May 31, 1936. The full preferred dividend of $2.50 is not being paid, although in the last fiscal year, total payments were $1.75 a share on the preferred. Any increase in payments on the preferred would go to the purchaser, and if all arrears were cleaned up, any further dividends would go to the common shares. Earnings amounted to $1.87 a share last year. The company's position should continue to improve as business recovers, especially since it has 62% of its investments in common stocks.

United Corp.

What do you think of United Corp class A stock as an investment and also possible rise in price?

United Corp., an investment trust of the management type, has recorded an appreciable improvement in its finances and earning power. At the end of last year there was an equity of $2,030 back of each $1,000 bond; $72.07 back of each class A share and $10.25 back of each class B share. Gross income has increased from $180,427 in 1933 to $308,035 in 1935.

It is our understanding that earning power of the company is now on a level which will permit the payment of a dividend of 75 cents a share quarterly, on the class A stock. It should be remembered that in connection with this stock there are arrears of $3.62½ cents a share.

We do not endeavor to forecast the market trend of stocks, but we would point out that the current market price of 25 to 26 for United Corp. A is not far short of the call price of $30 a share and accrued dividends.

National Realty

I would like a report on National Realty Corp. bonds. What are the prospects of this company?

National Realty Corp. was reorganized late in 1935 and the assets of the company acquired by Lombard Realty Co. Under the terms of reorganization first mortgage bondholders of National Realty received 70% of the principal amount of bonds held in first mortgage bonds of Lombard Realty. In addition, they received 2 shares of capital stock of Lombard Realty for each $100 of bonds held. General mortgage bondholders received one share of capital stock for each $200 of bonds held. Interest on the new bonds at 5% is non-cumulative and payable out of income only for the first 3 years and thereafter a fixed charge on the company. No interest payment is expected for 1936. We understand there has been some improvement in the company's position, but earnings have been devoted chiefly to payment of tax arrears. Earnings of parking garages have tended to rise only slightly, because of competition from outdoor parking lots in downtown Toronto.

Oshawa Buildings

What are the present position and prospects of bonds of Oshawa Buildings Ltd.?

Oshawa Buildings Ltd. has $255,000 of 6½% first mortgage bonds issued in 1928 and due in 1943. Interest on the bonds is in arrears. The Jan. 1, 1933, payment was made on Feb. 5, 1936. It is expected another interest payment will be made in December of this year. The sinking fund is also in arrears.

In February of this year it was stated that at end of 1935 only 2 of the 83 rental units were not occupied. Operating accounts have been paid as due and there are no arrears of taxes. Rentals have been low and while there has been a recent increase it does not appear probable the company will be able to earn its full interest in the near future. It is probable that eventually a reorganization scheme will have to be worked out for this company.

Great Lakes Paper

Would you please give me some information on Great Lakes Paper preferred selling at $8 to $8½ a share? At what price did it first come on the market? What are its possibilities and do you consider it a fair speculation?

You appear to have obtained an out-of-date price for Great Lakes Paper class A preferred stock. The price about 3 weeks ago was $8½ but recently the shares have risen above $16 each. They carry cumulative dividends of $2 a share annually, but no dividend can be paid, under an arrangement with the Ontario government, until the price of newsprint is $45.30 a ton or more, compared with the present price of $41, and $42.50 for 1937.

Bond interest is not being paid at present, while the company builds up its liquid position. Consequently, there is no immediate prospect of dividend payments on the preferred. With 100% capacity operations, the company can make a profit at $42.50 a ton, and if newsprint rises further, as is the hope of many investors, preferred dividends might become possible. However, that may be 2 years away. The preferred was worth around $9 a share when it first came on the market, following the reorganization.

Champion Mortgage

I would appreciate your views on Champion Mortgage Corp. of Edmonton.

Champion Mortgage Corporation, Edmonton, sells installment savings certificates, upon which the investor must maintain his payments throughout the entire period to obtain the full benefit. Then, the success of the plan depends on the company's success in investing the money received. At the moment, Alberta debt legislation on mortgages is unfavorable for the company's investments.

Alberta School Bonds

Are City of Edmonton 5½% school bonds, due 1968, affected by the recent Municipal Securities Interest Act in the same manner as those of the city proper? What is the current price of the bonds?

Edmonton school bonds are affected by recent Alberta legislation just like other municipal bonds in that province. In other words, if the act, providing that 3% is the maximum interest payable, is proclaimed, it will apply to the school bonds. Proclamation is believed to be a distinct possibility.

At present, because of the serious political situation in Alberta, the bonds are selling at practically default levels, and although they are quoted nominally at 53, it is doubtful whether you could obtain a market.

Canadian Hydro

Will you be good enough to let me know if Canadian Hydro will pay its next quarterly dividend?

There is little or no prospect of Canadian Hydro Electric Corp. declaring the next quarterly dividend on its first preferred stock. Following cancellation by the Ontario government of the contract between Ontario Hydro and Gatineau Power Co., Canadian Hydro decided to conserve its resources and to that end deferred dividend payments. Under the new contract, at full deliveries, Gatineau Power will lose about $2 millions of gross revenue as compared with income under the old contract.

There is little prospect of Canadian Hydro paying a dividend on its first preferred stock until income is sufficient to cover this charge, which means waiting for an increase in the power load to Ontario Hydro.

Great West Saddlery

I would like any information you may have on Great West Saddlery first preferred and common stocks.

Great West Saddlery Co. had a net profit after bond interest and depreciation of $3,061 in the first 6 months this year, compared with a net loss of $10,651 in the same period last year. This indicates there may be some gain in earnings on the first preferred shares this year, compared with earnings of 19 cents a share in 1935 and $1.48 in 1934.

Preferred dividends have not been fully earned since the present company was organized in 1928. Arrears are approaching $50 a share, so that even though there may be further recovery in Western Canada, the common shares do not represent the best form of low-price equity gamble on improved business conditions. There is some reason for hope in the reduction of the first mortgage bonds from $850,000 to $478,000, and in the reduction of first and second preference stock from $1.1 million to slightly under $850,000. Even with this reduction in prior securities, however, the outlook for the common is not impressive in view of the poor earnings record.

Honey Dew

I hold a number of shares of Honey Dew Ltd., and am wondering whether there are any prospects of appreciation in the near future.

It is not likely your Honey Dew stock will be in for any spectacular movement in market price at an early period. However, the company is making progress and business is better. It has opened some new shops in which business is turning out quite well.

The principal trouble with Honey Dew is that it took a number of long term leases back in 1928. These leases will not expire until 1938 and the result is that the company has been paying much higher rents than are supposed to be profitable for a chain store enterprise. If such a company pays rent which comes to about 8% of sales that is thought to be a good practice. As a matter of fact Honey Dew rents are understood to come somewhere near 16%. In a company which has a turnover of $1 million, a spread of 8% can make a big difference in profits.

It is therefore unlikely that there will be much difference in the profit situation until 1938 when old leases expire and new ones can be negotiated.

Moore Preferreds

Can you give me an outline of the class A and B preferred shares of Moore Corporation? What is the chief business of this company?

Moore Corporation is a holding company, which, through subsidiaries, manufactures sales books and other business forms in Canada and the United States. The various companies are well managed, and the volume of business follows closely the course of general business conditions. Earnings in 1935 on the 7% A and B preferred amounted to $19.15 a share, compared with $13.36 a share in 1934. Working capital is strong, and business has improved in 1936.

The A preferred is convertible at any time into common stock on the basis of 4 common for one preferred and the B preferred is convertible 6 common for one preferred. Both stocks are non-callable and are entitled to 6 votes per share. The common stock earned $2.18 a share in 1935 and paid $1 a share.

You will notice that the B preferred sells at a much higher figure than A preferred. This is because of the difference in the convertible feature. Naturally, the value of the preferred shares fluctuates in sympathy with the price of the common shares into which the preferreds are convertible.

International Petroleum

Can you explain why International Petroleum sells around $34 to $35 a share, considering that on the basis of the present dividend the yield is over 7%?

International Petroleum sells to give a seemingly large yield because part of the dividend is a bonus from accumulated surplus. The company pays $2.50 a share annually, of which $1.50 is a regular dividend and $1 a share is a bonus payment. Earnings last year were equivalent to $1.49 a share. The company's surplus is sufficiently large to enable it to make such bonus payments for some time. The management hopes that earnings will rise so that the entire dividend will be covered by profits. Meanwhile, however, since the company's assets are depleted as oil is produced, a part of the bonus might be considered as a return of capital, thus reducing the effective income yield.

STOCKS LISTED AND UNLISTED BONDS

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October Dividends Show $1.2 Million Increase

October dividend declarations of Canadian corporations total slightly more than $16 millions, a compilation by The Financial Post shows. This is an increase of $1.2 million over the corresponding month of 1935.

Bond interest payments, however, are lower, amounting to $45.9 millions as against $46.3 millions in October of last year.

Eight extra payments, 5 payments on preferred arrears, one increase and 5 initial dividends contributed to the increase.

Companies paying extra dividends this month are: Bralorne Mines, Building Products Ltd., Fanny Farmer Candy Shops, Guarantee Co. of North America, Premier Gold Mining Co., Remington Rand, United Bond and Share and Wright-Hargreaves Mines.

Payments on arrears of preferred dividends are being made by Canada Wire and Cable, Gordon & Belyea, Investment Foundation, Sherwin-Williams and North Star Oil.

Initial dividend payments are being made by Asnarzu Gold Dredging Co., and John A. Lang & Sons. Initial distributions are being made on the new common of Niagara Wire Weaving Co. and the new preferred of Brantford Cordage Co. Canada Bread Co. is paying an initial dividend on its B preferred.

Jamaica Public Service has increased its common dividend from 37½ cents to 43¾ cents quarterly.

Summary of October Payments

	1936 $	1935 $
Dividends	16,018,636	14,800,721
Bond interest	45,958,648	46,309,270
Total	61,977,284	61,109,991

Dividend Payments

Company	Rate $	Date	Amount $
Acadia Sugar, pfd.	.07½q	1	22,500
Acme Glove	.12½q	1	3,000
Do., pref.	1.62½q	1	11,177
Agnew-Surpass, pf.	1.75q	1	16,383
Atlantic Sugar, pf.	1.75q	1	19,443
Amer. Cyanamid A	.15	1	9,841
Do., B	.15	1	368,163
Assoc. Brew., pfd.	1.75q	1	16,891
Asnargu G. Dredg.	†.05	20	75,000
Belding-Cort.	1q	1	7,495
Do., pref.	1.75q	1	15,142
Bell Telephone	1.50q	15	1,169,070
B.C. Power A	.40q	15	400,000
B.C. Elec. P. & Gas, pfd.	1.50q	1	75,000
Bk. of Nova Scotia	3q	1	360,000
Bralorne Mines	.10	15	124,000
Do., extra	.05	15	62,000
Brantford Cord., pf.	†.32½	15	13,000
Brewing Corp., pf.	.37½q	15	61,051
Brazilian Tr., pf.	1.50q	1	5,901
B. Amer. Assur., c.	1.25s	1	37,500
Brit. Amer. Oil	.20q	1	524,528
B. C. Tele., 1st pf.	1.50q	1	15,000
Brockville Trust	.62½q	1	6,250
Bruck S. Mills	‡.10	15	12,500
Bldg. Prod., A & B	.35q	1	42,296
Do., extra	.25	1	30,211
Burry Biscuit, pf.	.75q	1	7,500
Burt, F. N.	.50q	1	53,824
Do., pref.	1.75q	1	1,029
Can. Bread, 1st pf.	1.25q	1	15,625
Do., B pref.	†.50	1	12,500
Canada Life	5q	1	50,000
Can. Nor. Power	.30q	26	120,000
Do., pref.	1.75q	15	96,250
Canada Packers	.75q	1	150,000
Can. Perm. Mtge.	2q	1	140,000
Can. W. & Cable, pf.	*3.25	1	93,830
Can. Canners, pf.	1.50q	1	58,272
Can. Cottons	1q	2	27,155
Do., pref.	1.50q	2	54,922
Can. For. Invest.	.40q	1	29,366
Do., pref.	2q	1	22,000
Can. Fairbanks, pf.	1.50q	15	18,000
Can. Gen. Electric	1.25q	1	236,057
Can. Gen. Invest.	.12½q	15	75,073
Can. Indus., A & B	1.25	31	849,576
Do., pref.	1.75q	15	81,375
Canadian Oil, pf.	2q	1	40,000
Can. Westinghouse	.50q	1	273,000
Can. Wire. Box, A	.37½	1	20,679
Cariboo Gold	.02½	1	33,332
Carnation Co., 1st p.	1.25q	1	48,615
Celanese of Amer., pr. pfd.	1.75q	1	200,931
Central Can. Loan	2q	1	50,000
Cent. Patricia G. M.	.04	2	100,000
Chartered Trust	1q	1	10,000
Cons. Bakeries, ord.	.20q	1	63,688
Consumers' Gas	2.50q	1	351,380
Cosmos Imp., pfd.	1.25q	15	7,250
Crown Life	2½%q	1	5,740
Crown Trust	1.75q	1	17,500
Dominion Bank	2.50q	1	175,000
Dome Mines	.50q	20	476,667
Dominion Coal, pf.	.37q	1	88,800
Dominion Glass	1.25q	1	53,125
Do., pref.	1.75q	1	45,500
Dom. Textile	1.25q	1	337,500
Do., pref.	1.75q	15	33,960
East. Can. Sav. & L.	1.50q	1	11,250
East. Steel, pfd.	1.75q	1	6,829
Eastern Trust	2q	1	20,000
Economic Inv. Tr.	.37½	1	14,971
Fanny Farmer	.12½q	1	48,808
Do., extra	.12½	1	48,808
Freiman, A. J., pfd.	1.50q	1	13,156
General Tr. of Can., pfd.	1.50q	1	16,500
Goodyear Tire	.62½q	1	160,787
Do., pref.	.62½q	1	75,000
Gordon & Belyea, pf.	1.50q	1	2,106
Do., arrears	.75	1	1,053
Gt. Lakes Pwr., pf.	1.75q	15	13,125
Gt. West Life	5q	1	50,000
Greening Wire, pf.	1.75q	1	11,375
Guar. of N. Amer.	1.50+2.50	15	24,368
Ham. Cotton, pf.	.50	1	9,506
Highland Dairy, pf.	1.75q	1	2,695
Hinde & Dauch	.12½q	1	37,491
Hollinger Gold	.05	6	246,000
Huron & Erie Mtge.	1.25q	1	62,500
Imperial Life	3.75q	1	37,500
Inter. Milling, pf.	1.25q	15	56,250
Inter. Power, 1st pf.	1.50q	1	120,000
Inter-State Rlty., A	.28q	1	20,718
Invest. Found., pf.	.37q	15	11,022
Do., arrears	.13	15	3,872
Jamaica P. Serv.	.43¾q	1	19,687
Do., pref.	1.75q	1	18,777
Landed Bkg. & L.	1.25q	1	12,500
Lang, J. A. & Sons, com.	†.17½	1	17,500
Little Long Lac	.10	20	183,300
McColl-Front., pf.	1.50q	15	116,511
Maple L. Gardens, pf.	.35	15	28,000
Mitchell, J. S., pf.	1.75q	1	5,295
Monarch Knit., pfd.	1.75q	1	13,125
Mtl. City & D. Bk.	3q	1	60,000
Mtl. L., H. & Pr.	.37q	31	1,660,931
Montreal Telegraph	.80q	15	35,000
Montreal Tramways	2.25q	15	157,500
Moore Corp., A pfd.	1.75q	1	57,537
Do., B pfd.	1.75q	1	29,359
Do., com.	.25q	1	69,060
National Grocers, p.	1.75q	1	51,681
National Life	.62½q	1	6,250
National Trust	2q	1	60,000
Nat. Breweries	.50q	1	180,343
Do., pref.	.44q	1	48,840
Nanaimo-Dunc. Util. com.	.25s	1	6,250
N.B. Telephone	.12½q	15	72,310
Niag. W. Weav., c.	†.40	1	32,000
North Star Oil, pf.	*.08¾	1	17,500
N.S. Light & Pr., ord.	1.25q	1	43,153
Nova Scotia Trust	3.50s	15	16,614
Ogilvie Flour, com.	2q	1	150,000
Ont. Loan & Deb.	1.50q	1	60,000
Ottawa L. & Pr.	1.50q	1	52,500
Do., pref.	1.62½q	1	24,375
Ottawa Traction	.50q	1	28,038
Page-Hersey Tubes	.75q	1	120,707
Perfection Pete., pf.	.37½q	1	3,485
Petrol Oil & Gas	.02	1	4,400
Pioneer Gold	.20q	1	350,350
Power Corp., pfd.	1.50q	15	75,000
Do., 2nd pfd.	.75q	15	75,000
Porto Rico Pr., pf.	1.75q	1	17,500
Premier Gold M.	.03q	15	150,000
Do., extra	.01	15	50,000
Pressed Metals	.37½	1	42,370
Provincial Paper, pf	1.75q	1	61,250
Remington-Rand	.15q	1	209,188
Do, stock bonus.	1%	1	13,945
Reno Gold	.03q	1	54,789
Riverside Silk, A	.50q	1	15,000
Robin. Cons. Conc.	.25q	1	12,499
Root Petroleum, pf.	.30q	1	12,853
Rosedale Gold	.01	1	12,500
San Antonio Gold	.07	10	162,114
2nd Std. R'lties, pf.	.01	1	25,035
Sheep Creek Gold	.02	15	37,500
Sher.-Williams, pf.	*1.75	1	60,550
Smith, How. P., pf.	1.50	15	67,500
South. Can. Pr., pf.	1.50q	15	106,333
Stand. Fuel, pf.	1.62½q	1	19,361
Tamblyn, pref.	1.75q	1	5,285
Tip Top Tailors, pf.	1.75q	1	22,450
Teck-Hughes	.10q	1	480,714
Tor. Elevators, pf.	1.75q	15	26,010
Tor Gen. Trusts	1q	1	30,000
Toronto Mortgage	1.50q	1	29,595
Tuckett Tob., pf.	1.75q	15	35,000
Un. Bond & Share.	.10q	15	2,635
Do., extra	.15	15	3,953
Un. Gold Equit.	.03q	15	6,850
Unit. Securities	.50q	15	25,630
West. Assur., c.	1s	1	55,000
West. Grocers	.50q	15	8,471
Do., pref.	1.75q	15	20,899
West. Koot. Pr., pf.	1.75q	1	8,750
Weston, Geo., c.	.20q	1	75,176
Wright-Hargreaves.	.10q	1	550,000
Do., extra	.05	1	275,000
			16,018,636

*On arrears. †Initial. ‡Interim.
q—Quarterly. s—Semi-annually.

BOND INTEREST DUE IN OCTOBER

Company:	Rate %	Date	Due	Amount $
Burns, 1st mtge., A‡	5	1	1958	83,960
Balfour Building	*6	1	1943	15,056
Bolivian Power	8	1	1945	54,780
Brandram-Hend.	§6	1	1936	3,954
Calgary Power	5	1	1960	250,000
Cumberland R. & C.	5	1	1940	55,780
Can. Cons. Felt	6	1	1940	3,405
Can. Cons. Rubber	6	1	1946	73,086
Can. Int. Inv. Trust, coll. trust, A	5	1	1959	44,712
C.N.R. guar. bonds	5	1	1969	1,500,000
Can. Nor. Ont., deb. stock & bonds	4	2	perp.	174,482
Can. Nor. Pac., 1st.	4	2	1950	328,240
Can. Nor. Pac., 1st.	4½	2	1950	193,815
Dom. Canners	†6	1	1940	24,579
Dom. Tug & Barge.	7	1	1947	7,875
E. Koot. P., A & B.	7	1	1942	63,035
Gatineau Power, B	6	1	1941	225,000
Goulds Manuf., A	6	1	1942	11,130
Gr. Trunk Pac., A	4	1	1955	204,120
Gr. Trunk Pac., B	4	1	1955	199,260
Gr. Trunk Pac., 1st mtg., Lake Sup. br.	4	1	1955	150,660
Gr. Trunk Ry., cons.	4	14	perp.	1,198,390
Gt. Brit. & Can. Inv.	4½	1	1959	90,933
Hamilton Cotton, A.	5½	1	1948	21,450
Int. Hydro-El., deb.	6	1	1944	797,040
Massey-Harris	5	15	1947	217,500
Mt. Royal Tunnel	•5	15	1970	21,935
Midland Pac. Term.	6½	1	1943	13,130
Mtl. & Prov. Line, 1st	4	1	1950	4,000
Mtl. Tram., A, B, D	5	1	1955	620,012
Do., mtg. series C	4½	1	1955	52,304
McColl-Front., A	6	1	1949	282,240
Nat. Biscuit & Con.	6½	1	1950	5,200
Nat. Transcont. Rly.	4½	1	1955	54,450
Nor. Ont. Bldg., 1st	6½	1	1939	21,151
Ogilvy Realty	5½	1	1951	34,375
Ottawa L. H., coll. A	5	1	1957	116,062
Ott. Valley Power	5½	1	1970	247,500
Rail & River Coal	5	1	1938	25,825
Rio de Jan. Tram.	5	1	1958	452,105
Rio de Jan. Tram.	5	1	1950	32,955
Stock Ex. Bldg.	6	15	1944	▴32,064
Shaw. Water, ser. A	4½	1	1967	771,435
Do., coll. trust, D	4½	1	1970	421,105
South. Can. Pr., A	5	1	1955	150,000
Spruce Falls Power	5½	1	serial	247,500
Tooke Bros., 1st mtg.	7	1	1942	7,339
Victoriaville Furn.	6	1	serial	7,500
Westminster Paper	6½	1	1950	7,702
Woods Manuf., A	6	1	1943	17,610
York Street Bldgs.	6	1	1943	6,231
Corporation				9,643,972
Municipal bonds				7,468,822
Provincial bonds				6,940,026
Dominion bonds				21,905,828
Total				45,958,648

▴Payment of coupons 8 and 9 of Feb. 1 and Aug. 1, 1933.
*Reduced interest from 6% to 4% from April 1, 1935 to Oct. 1, 1937.
‡Interest payment for 1935 on bonds on which non-cumulative interest throughout the period Jan. 1, 1934 to Dec. 31, 1938, is payable out of net income only.
†Redeemed on Oct. 1, 1936.
•To be redeemed Oct. 15, 1936.
§Paid at maturity Oct. 1, 1936.

General Finance Corp. Takes Over Moncton Unit

From Our Own Correspondent

MONTREAL. — General Finance Corp., of Truro, has purchased the assets of General Finance Corp., of Moncton, which has been in operation for about 2½ years. The business in Moncton will be continued as a branch of the firm.

Name of the company has been changed to Standard Finance Ltd., and the authorized capital increased to $250,000 in preferred stock and 20,000 no par value common shares.

de Havilland Profits Down

The de Havilland Aircraft of Canada Ltd. closed its fiscal year Sept. 30, and although final accounts have not been prepared, it is understood a smaller profit than in the preceding year will be shown. In the year ended Sept. 30, 1935, earnings were $4,077, or $1.51 a share on the 2,705 preferred shares of $100 each.

The company continues to get its business chiefly in parts and replacements. Substantially increased volume will be necessary before dividends appear likely to be considered.

Last week the common shares were boosted to $20 and then quickly collapsed. Company officials described this as a stock market operation unsupported by earnings. The company has had no indication of orders from the recommencement of trans-Canada air mail.

Preferred dividends have not been paid since 1931. Arrears total $38.50 a share on the preferred.

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Tramway Row Hits Saint John

Three Interests Battle for Transportation Franchise

From Our Own Correspondent

SAINT JOHN. — A 3-cornered fight among rival transportation interests is under way in Saint John. Exclusive features of the New Brunswick Power Company's tramway franchise lapsed in 1934 and were not renewed. While the company's right to operate either street cars or buses is "perpetual," this opened the way for competition.

There were no developments, however, until July 27 of this year, when the city council, with no previous notice, granted to Maritime Transit, Limited, a franchise to operate buses here for the next 40 years. The council's resolution provided that Maritime Transit, backed by F. C. Manning, of Halifax, was to have exclusive privileges at stops designed by the commissioner of public safety. In return the company was to pay to the city 4½% of its gross operating revenue and contribute to snow removal costs. This is the same basis on which the New Brunswick Power Company is taxed.

Charges "Railroading"

Mayor MacLaren charged that 3 of the 5 members of the council had "railroaded" the franchise through, without taking either himself or the public into their confidence.

Opposition to the franchise developed from 3 sources: The citizens, the New Brunswick Power Company and K. C. Irving, prominent New Brunswick oil company head and bus line owner.

Citizens circulated petitions which were signed by a sufficient number of qualified voters to force the council either to repeal entirely the Maritime franchise or submit it to the people for a vote.

The New Brunswick Power Company applied for and was granted by the New Brunswick Supreme Court an injunction restraining Maritime franchise from operating buses.

Mr. Irving appeared at city hall with his solicitor to remind the council that he, previous to Maritime Transit, had applied for a bus franchise in Saint John, and to point out that his application had been disregarded. He served notice he intended to fight for his rights.

Like announcements came from both Mr. Manning and W. P. Southard, vice-president and general manager of the New Brunswick Power Company.

Carry Passengers Free

August slipped by, and September, then, October 3, Edward D. Walsh, commissioner of public safety, granted to the Manning interests an easement on North Market Street. This was blocked out by city employees and marked: "Bus Stop." Maritime Transit started operating buses for "inspection purposes"—carrying passengers free of charge.

The commissioner's action broke the bus question wide open again and launched a new series of legal and political battles with the New Brunswick Power Company, Maritime Transit and K. C. Irving tussling for supremacy.

Throughout the Maritimes there is heavy rivalry between Irving and Manning interests. Mr. Irving is president of Irving Oil Co., Ltd., while Mr. Manning is president of Provincial Oils, Ltd. Each has invested heavily in buses, so that they are not only competitors in the oil and gas business, but in transportation business.

PUBLIC UTILITY BONDS

	Price	Approximate Yield to Maturity
Gatineau Power Company 5% First Mortgage Bonds Due 1 June, 1956	101.25	4.90%
Great Lakes Power Company 4¾% First Mortgage Bonds Due 1 September, 1956	99.50	4.28%
Montreal Light, Heat & Power Consolidated 3½% First Mortgage and Collateral Trust Bonds Due 1 February, 1956	104.50	3.18%
Saguenay Power Company Limited 4¼% First Mortgage Bonds Due 1 April, 1966	105.00	3.97%
Shawinigan Water & Power Co. 4% First Mortgage and Collateral Trust Bonds Due 1 April, 1961	99.75	4.03%
Union Gas Company of Canada Limited 4½% First Mortgage Bonds Due 1 December, 1950	102.00	4.31%

Complete information will be furnished upon request.

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15 King Street West, Toronto

Asbestos From Quebec

A marked increase is reported by the Quebec Bureau of Mines in production of asbestos in the province during the first seven months of 1936. Total was 148,130 tons against 98,144 tons in the same period of last year.

CROWN ZELLERBACH CORPORATION

Earnings record gives distinction to this U.S.-Canadian producer of newsprint and other pulp and paper products.

Analysis upon request.

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Montreal Curb Market
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TORONTO OTTAWA QUEBEC SHERBROOKE
73

CANADA'S GROWTH

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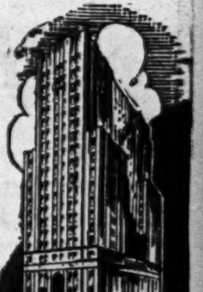

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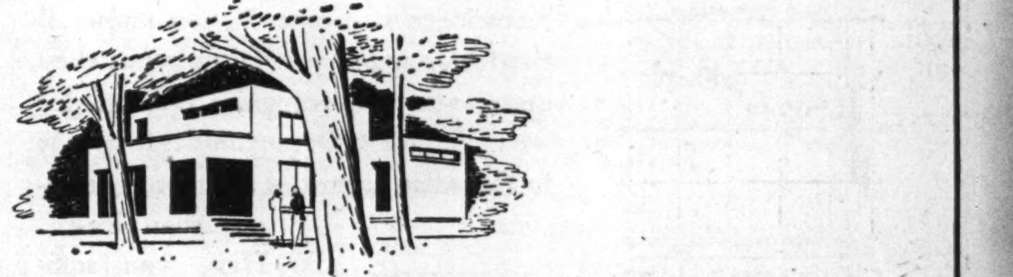

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Your Executor and Trustee has the legal duty of re-investing in trustee securities only, any part of your Estate that you leave in Trust; unless you leave him larger investment powers in your Will. . . . . What powers are necessary will, of course, depend on your views of the long-term outlook for trustee and other securities and the precise nature of your assets. Without some authority, however, to your trustee to meet new or unexpected conditions your Estate may suffer serious impairment. . . . . . Our Estates Analysis Department places at your disposal a wide knowledge of the practical policies that are being incorporated in Wills today when sound investing admittedly presents the greatest difficulties. It can help you to formulate effective plans for your Estate.

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W. G. Watson, General Manager

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YONGE AT ADELAIDE

St. Lawrence Flour Mills September Trade Good

From Our Own Correspondent

MONTREAL. — Operations and earnings of St. Lawrence Flour Mills since the beginning of the current fiscal year on September 1 have been satisfactory, according to a statement made to the shareholders by D. A. Campbell, president of the company.

During the past year, said Mr. Campbell, prices of Canadian wheat and flour were in line with world markets, which enabled the company to do more profitable business in all foreign markets.

Victor Drury Elected Head Of Investment Trusts

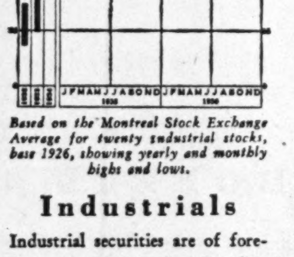
From Our Own Correspondent

MONTREAL.—Victor M. Drury President of Drury & Co., and senior partner in the Montreal Stock Exchange firm of Drury & Thompson, has been elected president and director of Hydro-Electric Securities Corp. and of International Holding & Investment Co. He succeeds Frank B. Common in both posts.

Hydro-Electric Securities is an investment trust formed by the late Alfred Lowenstein, while International Holding also was created by Lowenstein.

OPPORTUNITY

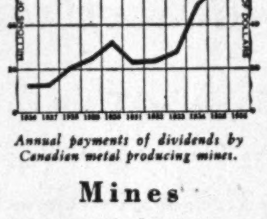
Knowledge is power. If you know all the facts, and if you know what they mean, you will recognize opportunity when you see it. Opportunities for profit in Canadian securities are more numerous than ever. Have you sufficient knowledge and shrewdness to take advantage of them?



Based on the Montreal Stock Exchange Average for twenty industrial stocks, base 1926, showing yearly and monthly highs and lows.

Industrials

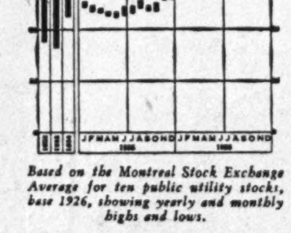
Industrial securities are of foremost importance in Canadian markets and should be included in every investment portfolio. Careful selection is necessary, because some industrials have brighter prospects than others.



Annual payments of dividends by Canadian metal producing mines.

Mines

A few years back, mining was looked upon merely as a phase of Canadian enterprise. To-day it is recognized as one of our important industries. To-morrow it may be acknowledged as the backbone of our economic life. Already its securities enjoy a prestige second only to industrials.



Based on the Montreal Stock Exchange Average for ten public utility stocks, base 1926, showing yearly and monthly highs and lows.

Utilities

At certain times, utilities should not be purchased. At other times, they are the best medium for investment. If you are interested in utility securities you should consult expert opinion before buying or selling.

We are well equipped to advise you on your investment problems. You are invited to make use of our services. We are members of two stock exchanges. Our eight branch offices, situated in leading financial centres, are connected by private telegraph wires. These facilities enable us to execute your orders with despatch and efficiency.

JOHNSTON AND WARD

Head Office: THE ROYAL BANK BUILDING, MONTREAL

Members: Montreal Stock Exchange
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State To Aid In Evacuating Drought Areas

Rearranged Western Settlements To Be Based on Farm Surveys

DRY LAND FOR GRAZING

From Our Own Correspondent

OTTAWA.—State assisted movement of farmers from the worst of the Western drought areas is now contemplated. Preliminary negotiations were inaugurated by Hon. J. G. Gardiner, minister of agriculture on his recent tour of the Prairie Provinces. But no wholesale abandonment is contemplated.

Based on Soil Survey

Saskatchewan has been conducting for several years a soil survey of the drought-stricken areas. Accurate descriptions of the nature of the soil, the type of drainage, and the precipitation records of the past 30 years are available for many of the townships where drought hardship has been severe and prolonged. Supplemented by such financial data as debt reduction, unpaid taxes, gross agricultural revenue, it will now be possible to distinguish between districts which, with a return of normal rainfall, offer reasonable hope of affording a living to present farmer settlers, and those which cannot.

Wide Variation

Variations in soil fertility, susceptibility to drifting, and even precipitation, are so wide even in the so-called drought areas that each township will have to be considered on its merits. To a considerable extent the natural movement of settlers has already solved the problem, the light uplands and inferior soils having been abandoned so far as cultivation is concerned during this or earlier drought cycles, and the better locations with water and shade and good soil having been firmly established as farm sites.

Under the Drought Rehabilitation Act $1 million is set aside annually for reforestation experimental substations, water conservation, etc., but no margin is provided for state movement of settlers from the semi-arid areas. It will be necessary to provide an appropriation at next session. Part of the movement will be northward, to the mixed farming park country. Part of it will be to regions in the prairie belt where drought experiences have been absent, or less severe.

Dry Areas for Grazing

The land abandoned will be leased cheaply for grazing purposes to near-by farmers and ranchers, the title reverting to the crown. Nearly all of it has heavy obligations against it in the form of private mortgages, seed grain and feed liens, and taxes, municipal and provincial, but provision has been made to wipe out these debts.

Abandoned areas where soil-drifting is menacing adjacent farming country will be taken over by the Drought Rehabilitation Committee, it is expected, and steps taken to limit the drift areas by planting hardy grasses and carraganas and other drought resistant shrubs and trees.

Co-Executor Often Means Difficulties

Estate May Suffer by "Helping" Trust Company

By H. A. CLARKE

Best Intentions Create Problems

"I nominate, constitute and appoint . . ."

Many men, when they make their will and appoint a trust company as executor, add the name of their wife or some other person as co-executor.

This practice often introduces difficult problems, and may even lead to serious losses, contends H. A. Clarke in this article. He argues for an unfettered trusteeship, recognizing the group judgment of the trust company.

Mr. Clarke speaks from a wide knowledge of wills and estates. He is estates manager of the National Trust Company, Toronto.

When trust companies advise prospective testators against naming any individual to act with them as co-executor in the administration of an estate, they are frequently accused of having only a selfish interest in their advice. They are told the reason for their advice is their reluctance to share executors' fees.

Superficially this may appear to be their reason, but the advice is founded on something much more solid than self-interest. Advice based on self-interest would be a very short-sighted business policy and could not possibly react to the benefit of the adviser for any lengthy period. Even in the United States, in those jurisdictions where executors' fees are statutory and the trust company loses no part of its fees in a co-appointment, their advice is the same.

Built by Experience

The fact is that the trust companies' views are the result of years of experience in the administration of thousands of estates. They constantly see instances that prove beyond a doubt that the appointment of an individual to act as executor with them creates difficulties, causes delay and frequently is responsible for actual financial loss to the estate.

For example: The executors may for years have been trying to sell a piece of real estate. Finally an offer at an acceptable price is received with, say, one week for acceptance. The personal executor is in Europe; or he is ill; or he may even be not available through the illness or death of some members of his family. The opportunity is therefore lost. For the same reasons, losses occur in connection with other types of assets.

The trust company learns of a situation adversely affecting a holding of stocks or bonds. To avoid loss, quick action is necessary. Quick action is too frequently impossible in co-executorships. True, there is the occasion where the wife, partner or friend of the testator can be of real assistance because of some special knowledge of the assets of the estate or because of an unusual personal situation. Even in such cases all the advantages of a co-appointment can be obtained by including in the will a direction to executors to consult with the person who would otherwise have been named as co-executor (if such person is available) on any special matter or, if desired, on all matters in connection with the executorship.

Such a direction makes certain that the executor will have the benefit of all assistance that any individual could give as a co-executor without the disadvantages of the co-appointment.

Why Company is Chosen

The principal reasons why a testator decides to name a trust company as his executor are:

1. **Fidelity**—He knows there is no possible chance of a trust company misappropriating funds or leaving suddenly for parts unknown with the assets of the estate.

2. **Ability**—He knows trust companies are organized to specialize in trusteeship. He has been careful to investigate the respective merits of several companies and select the one he considers the best.

He knows the trust company of his selection has a board of directors of outstanding businessmen and an experienced and able staff who know how to deal with and have dealt with frequently practically every phase of estates administration such as valuations, creditors' claims, sucession duties, income taxes, realizations, selection and management of investments, conduct of businesses, impartial consideration of the interests of different classes of beneficiaries, personal assistance and advice to members of his family, etc.

3. **Charges**—He knows the fees allowed by the court to the trust company are no greater than those allowed to a personal executor and, in addition, the trust company provides certain expert services to its trusts which the personal executor usually has to employ at the expense of the trust.

How Old Custom Started

Before the development of trust companies, it was impossible for a testator to obtain, in the administration of his estate, the absolute security and efficiency now provided by the fidelity and group judgment of the trust company. It was in his effort to obtain these advantages as far as he possibly could that he named 2, 3 or 4 of his friends as his executors. The survival of this old custom and lack of knowledge of the effect of appointing an individual to act with the trust company accounts for co-appointments today.

A testator. in naming his wife, a son or a friend to act with the trust company, probably does so as an expression of confidence in and a compliment to the individual, feeling the trust comany will be in active control, and the co-appointment may be flattering to the appointee and can do no harm. As a matter of fact, it can and does do harm for this reason—that executors have absolutely equal rights as to management and custody of assets, keeping of records, etc., and they must be unanimous in their decisions in order to accomplish anything. A majority does not control. Each has an absolute power of veto over the others. This also means that the executor who will not agree in any course of action or who is not available to sign documents absolutely halts all progress in the administration.

Many Years Involved

The modern will is so planned that the minimum of legal liability for duties and taxation is incurred. This usually involves the creation of trusts running sometimes for lengthy periods. As time goes on, the personal executor grows older and there can be no guarantee that he will retain all through his life the mental vigor and sound judgment he may have had when he took the appointment. He may for some months at a time not be available through absence or illness; he may be subject to whims and favoritisms or improper personal influence, or he may be absolutely in his dotage and quite incapable of discharging his duties as an executor. Nevertheless, he retains the full rights and powers with which he commenced the administration.

All these disadvantages might be faced if there were any real advantages to offset them, but it can readily be shown that such is not the case. Assuming, for example, the testator appoints his wife, can the average woman, inexperienced in business and administration, add to the "fidelity" and "ability" features of the executorship?

Assuming a son or a business friend is appointed, with sufficient experience and sound judgment to add to the "ability," will he have the time? Will he always be available? Will he, until the termination of the trusts, retain all his faculties unimpaired?

Experts Are Available

In appointing a well-organized and well-managed trust company as his executor, the testator is assured of the most modern and efficient administration he can obtain. Under trust company administration a trained and experienced executive is placed in charge of the estate. He has at his disposal an expert staff for all details of management, record-keeping, etc., and he has a directorate of capable businessmen and a large group of associate executives, all with training and experience, available for advice and counsel at any time.

This is really co-executorship at its best, because it has all the advantages and none of the disadvantages of co-appointments.

New Brunswick Lumber

An increased cut of timber on crown lands of New Brunswick is expected to result this autumn and winter from the announcement of the provincial Minister of Lands that no increase is to be made in stumpage rates this season.

DIRECTOR

A. J. O'Donohoe, formerly of Griffis, Fairclough & Norsworthy, Toronto, who has been elected a director of Lampard, Marston & Co. Ltd., bond dealers, Toronto.

Ont. Fire Losses Show Small Rise

Damage Not Covered by Insurance Records Declines

A total of 11,007 fires in Ontario during the first 9 months of 1936 resulted in a loss of $5,961,490. according to a report released by the Ontario Fire Marshal. This represents an increase of 140 in the number of fires and $42,206 in the amount of loss compared with the corresponding period of 1935.

While the total fire loss over the 9-month period showed only slight increase, the insurance loss has risen materially and the loss not covered by insurance has declined. This indicates that there is a tendency to more complete coverage since business conditions started to improve.

There was a decrease in the losses from fires in dwellings, barns and stores but this has been offset by the increase in factory losses. The number of fires in factories increased by 66 during the 9-month period and the loss therefrom over $265,000 compared with the same period in 1935.

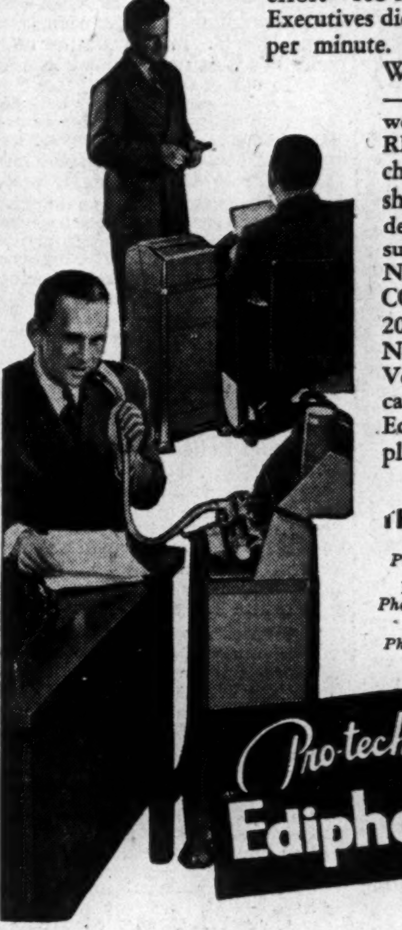
Economical Mutual Fire Extends Federal License

The Economical Mutual Fire Insurance Co. has been granted a federal certificate of registry authorizing it to transact plate glass and weather insurance and in addition, on properties already insured for fire, falling aircraft, earthquake, tornado, hail, sprinkler leakage, limited or inherent explosion, and civil commotion insurance.

"We'd as soon go back to blowing glass with lung-power as do without Ediphone Voice Writing!"

GREAT Glass COMPANY SHATTERS BUSINESS CAPACITY RECORD BY 20%!

This organization doesn't look through rose-colored glasses. It demands results—and it *saw* results—when Pro-technic Ediphones were installed!



Under the old system, secretaries averaged 69 lines per hour. With Ediphone Voice Writing—and with less effort—108 lines per hour were produced! Executives dictated an average of 30 words per minute. And with Ediphone Voice Writing—again with less effort—the rate sky-rocketed to 88 words per minute.

RESULTS: Time spent anchored to answering letters cut sharply . . . time available for developing business increased surprisingly . . . ALL BUSINESS CAPACITY RECORDS SHATTERED BY 20%.

No matter what your business, Voice Writing can increase its capacity. For details of New Edison "You-Pay-Nothing" plan,

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COMMERCIAL INTELLIGENCE JOURNAL

"This World-Wide SERVICE WILL HELP EXPAND OUR BUSINESS"

ARE YOU a producer of something for which there is a demand in some foreign country? If you have such a product, and are not exporting it, you may be overlooking a profitable opportunity.

Canadian Trade Commissioners are posted in thirty-two countries—in every country with which Canada does a substantial export business. If you are interested in extending your sales in foreign fields the Commercial Intelligence Service is prepared to assist you.

This service exists to obtain reliable first-hand data for Canadian producers. It is a service you have a right to use. Canada's Trade Commissioners have been trained especially to aid in discovering new markets abroad for Canadian exporters—to furnish information—to build up commercial connections—to do almost everything except secure the actual orders.

Export business today calls for more careful study than ever—for accurate information on exchange conditions and on import restrictions of all kinds. The Trade Commissioners are on the ground to secure and supply such information.

How Canada's Trade Abroad is Promoted

The Commercial Intelligence Service, supervising the world-wide organization of trade representatives, places in the hands of Canadian business men all the important findings of these representatives. Trade tendencies abroad are promptly reported to the Department and Canadian exporters are given the results of special market surveys through the Commercial Intelligence Journal, issued weekly at Ottawa.

Trade Commissioners in all quarters of the globe not only promote dealer and consumer acceptance of Canadian products but also undertake many export market surveys. These surveys are made either on their own initiative or at the request of Canadian firms. They cover such varied matters as the potentiality of a foreign market for specified goods, the peculiarities of foreign tastes, the competition to be met, the methods of packing and shipping, channels of distribution, terms of payment, and almost every phase of merchandising.

When market surveys indicate good openings for Canadian export business the Trade Commissioners establish contact between Canadian exporters and reliable import firms abroad.

Enquiries on export trade are always welcome.

HON. W. D. EULER, M.P. MINISTER

DEPARTMENT OF TRADE AND COMMERCE
OTTAWA

JAMES G. PARMELEE DEPUTY MINISTER

TC-364

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Canada Takes Stock of Empire Trade

Approach of Ottawa Agreement Deadline Means Complete Overhauling of Gains and Losses Since Pacts Were Signed in 1932—Statistical Background Aids in Appraising Events of Past Four Years

By KENNETH R. WILSON

Just 4 years ago amid all the pomp of an Empire conclave, there were signed at Ottawa 12 trade pacts among nations and dependencies whose trade the previous year had totalled almost $10 billions, representing one-quarter of all world commerce.

As a result of that meeting, Great Britain alone made commitments affecting trade which in normal years amounted to as much as $3 billions annually, while other Empire countries made changes of corresponding importance. In Canada's October, 1932, budget, for example, which gave effect to these changes, trade items valued the previous year at $211 millions were affected.

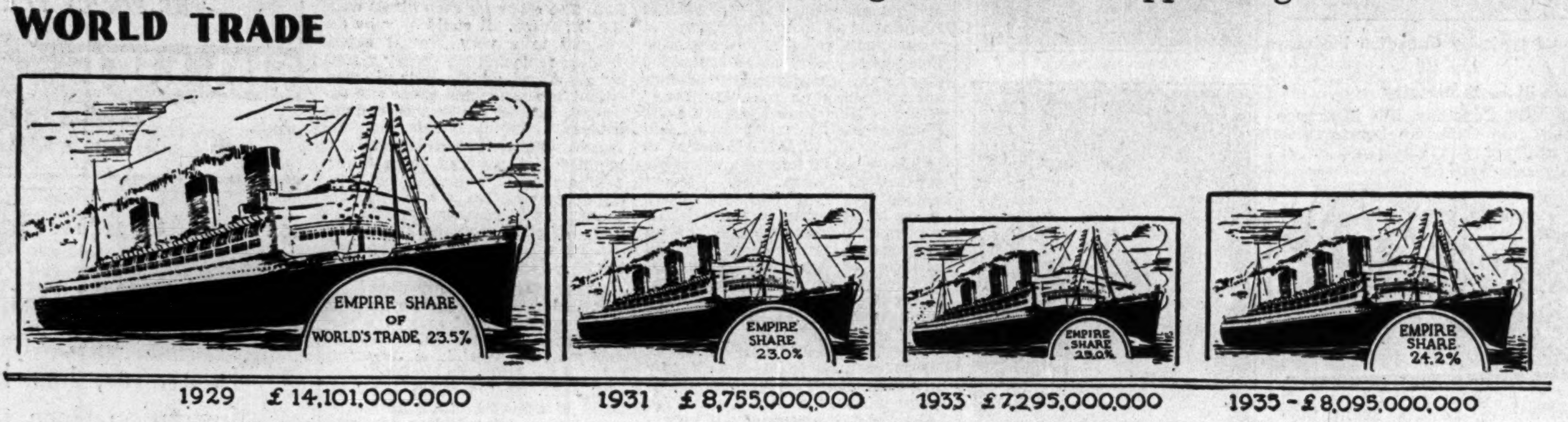
Deadline in February

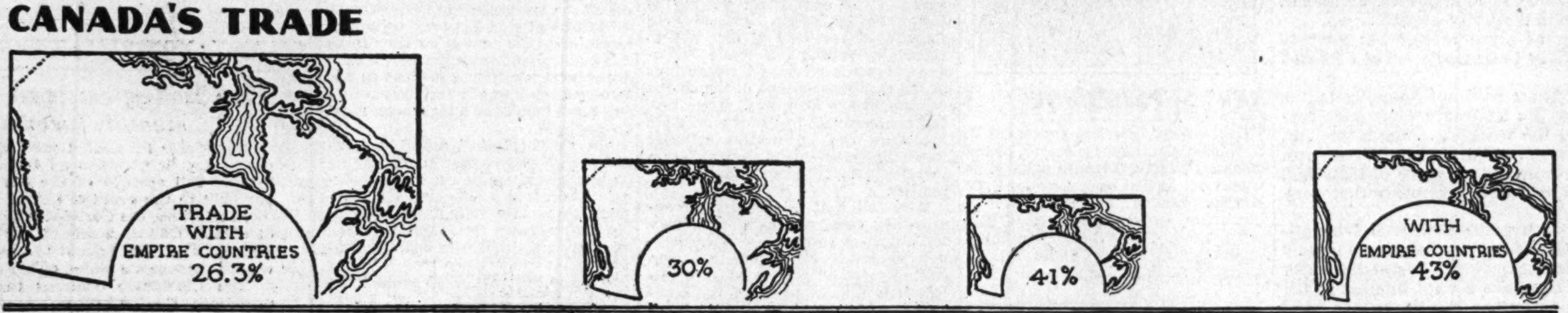
With some exceptions, the agreement ran for a period of 5 years on the understanding that "if not denounced 6 months before the end of the period" they would continue in force thereafter "until a date 6 months after notice of denunciation has been given by either party."

Since the date of signature was August 20, 1932, this means, in effect that the first opportunity for their revision will arise on February 20, 1937 at which time any country may have the privilege of challenging the agreement signed at that time. The single exception to this (apart from special provisions on certain foodstuffs and tobacco) was the U. K.-India pact which was terminable at any time upon 6 months notice.

Circumstances Changed

Since that memorable day in August, 1932, much trade water has gone under world and Empire bridges. Economic depression and recovery have alike been tasted; governments have fallen and been displaced, and much financial, political and economic lore added to the pages of Empire history.





Indicative of the new order of things was the decision last May of the Indian Government to terminate its agreement with Great Britain. Accordingly, when the 6-month waiting period elapses in November, it will be the first of the Ottawa pacts to pass into history—to be replaced doubtless by a new agreement.

Negotiations Under Way

For many months now Empire officials have been negotiating at London with a view to a new deal between their various countries. Negotiations with Australia, for example, were under way for some 3 months during the early part of the summer. Since June, trade and tariff experts from Canada have been in constant discussion supplemented by the personal visit of Hon. C. A. Dunning in July and August.

One obvious fact about these new Empire trade discussions is that the old plan of a big round-table Empire conference has gone—probably forever. The Ottawa discussions proved beyond question that an Empire trade free-for-all was too great a strain on human nature and on Empire relations generally.

Henceforth each Empire country will negotiate its treaties separately and individually. Thus, Britain will deal with Canada, New Zealand, South Africa, India, etc. on an individual basis. Similarly Canada will carry on separate negotiations with other Empire countries.

At one time it was thought that these individual negotiations would be brought together with a fanfare of trumpets at the coronation next May. Instead, Britain has asked that this brilliant social and Imperial function be not hampered by business discussions so that new pacts not concluded prior to that time will doubtless be concluded some time later in 1937.

Five-year Survey

In this and subsequent articles an attempt will be made to sketch as clearly as possible what has happened to world and Empire trade since August, 1932—and more particularly, what has happened to Canada's trade relations with the Empire since that time.

Since 75% of Canada's Empire trade is with United Kingdom, bulk of the emphasis will be placed on trade relations between these 2 countries. An attempt will also be made to indicate the major points of discussion and controversy which loom ahead in the formulation of new agreements.

This initial article will merely highlight the general trade picture since 1931 from a statistical point of view in order to lay the base for subsequent discussion.

World Trade Upheaval

When Empire statesmen gathered at Ottawa 4 years ago all trade was slipping into a vicious downward spiral. This was accentuated by the drastic fall in prices and the worldwide upheaval in monetary values caused by Britain abandoning the gold standard in 1931.

One result of these events has been to make virtually impossible any accurate measurement of world trade statistics. In the old days, world trade could be nicely measured against the yardstick of U.S. gold dollars. But today, if this yardstick were used it would show world trade at but 35% of the corresponding figure for 1929.

When this same trade is measured as to volume, rather than gold dollar value, the current level of trade instead of being 35% jumps to 80%. of the 1929 level. The difference, of course, represents the depreciation in gold values since that time.

Third Yardstick

A third possible yardstick is the pound sterling since it reflects reasonably well the price level on which most of the world's business (and particularly Empire business) is being done at the present time. When this yardstick is used, the value of world trade transacted in 1935 is found to be 58% of what it was in 1929.

Comparative figures follow:

Value of World Trade in U. S. Gold Dollars
(000,000's omitted)

	Imports $	Exports $	Total $	Ratio of Change %
1929 ..	35,595	33,027	68,622	100.0
1930 ..	29,074	26,481	55,555	81.0
1931 ..	20,795	18,909	39,704	57.9
1932 ..	13,969	12,888	26,857	39.1
1933 ..	12,457	11,718	24,175	35.2
1934 ..	11,983	11,305	23,288	33.9
1935 ..	12,093	11,457	23,550	34.6

Value of World Trade in £
(000,000's omitted)

	Imports	Exports	Total	Ratio of Change
1929 ..	7,314	6,787	14,101	100.0
1930 ..	5,974	5,442	11,416	81.0
1931 ..	4,585	4,170	8,755	62.0
1932 ..	3,984	3,676	7,660	54.3
1933 ..	3,759	3,536	7,295	51.7
1934 ..	3,987	3,761	7,748	54.9
1935 ..	4,157	3,938	8,095	57.8

Price and Quantity Movement*

	1929	1931	1933	1935
Prices (in terms of gold)	100	67.5	46.5	42
Prices (in terms of sterling) .	100	73	69	71
Trade volume .	100	85.5	75.5	82

*Indices are as a percentage of 1929 in each case.

Empire's Share

Using the yardstick of pounds sterling it is found that world trade which in 1929 totalled £14.1 billions had by 1933 shrunk to a low point of £7.3 billions of which British Empire countries were responsible for roughly one-quarter. As shown in an accompanying diagram this percentage has changed but slightly during the depression though it has made a slow but steady increase in the past 3 years.

This ratio, however, reflects only indirectly the world-wide results of the Ottawa agreement. All it shows is that Empire countries have been slightly more fortunate in increasing their total trade than other nations of the world. To find out what is happening to the items of trade directly affected by the Ottawa agreements it is necessary to segregate "intra-Empire" exchanges as apart from the trade which Empire countries did with all other nations of the world.

Final figures are not available for 1935, but in 1934 this intra-Empire trade was valued at £550 billions—a gain of 10.6% over the corresponding figure in 1932. In the same period world trade rose little better than 1%. Incidentally, it is interesting to note that in 1934 this intra-Empire trade was 7.1% of total world trade as compared with 5.9% in 1931.

The story by years is as follows:

	Total World Trade £ (million)	Inter-Imperial Trade £ (million)	Ratio to World Trade %
1929	14,101	851	6.0
1930	11,416	684	6.0
1931	8,755	517	5.9
1932	7,660	497	6.5
1933	7,295	494	6.8
1934	7,748	550	7.1
1935	8,095	*572	*7.2

*Estimated.

Empire Results

The next matter of interest is the relative position of Empire countries within this trade orbit. In 1931, the total trade of all Empire countries was £2 billions. Of this 59.4% represented trade of United Kingdom and 12.8% the trade of Canada. This was for Great Britain a larger share of total Empire trade than she had enjoyed in 1929 when the corresponding ratio was but 55.7%.

For Canada, however (due largely to shorter wheat crops), the proportion was smaller than the 15.4% which she enjoyed in 1929.

By 1935 after 2 years of declining trade volume and 2 years of improved trade, Britain's proportion of the total stood at 57.5% and Canada's at 13.4%. Thus on this basis, Great Britain was doing a somewhat smaller share of total Empire trade at the expense, in part, of Canada but in larger measure of the other British dominions. If these figures were further analyzed as to import and export trade it would be seen that the U. K. has increased her imports of Empire goods from 29% of her total trade in 1929 to 37.6% in 1935. The gain in exports is not so great as in 1929 she sent 41.4% of her total exports to other Empire countries and in 1935, 44.7%.

Trade of Empire Countries
(In £, 000,000's omitted)

	Total Trade	U.K. Share %	Canada's Share %	Other Empire Countries %
1929 ..	3,312	55.7	15.4	28.9
1930 ..	2,625	...	...	...
1931 ..	2,011	59.4	12.8	27.8
1932 ..	1,705	...	...	...
1933 ..	1,677	59.5	11.8	28.7
1934 ..	1,677	...	...	...
1935 ..	1,960	57.5	13.4	31.1

Canada's Place

Finally, there is Canada's rôle in the Empire picture. Back in 1931, the total trade of Canada amounted to $1.2 billion of which exactly 30% was represented by trade with Empire countries. By 1935 although total trade had risen but slightly, Canada's portion of business done with other parts of the Empire had risen sharply to 43% of her total trade.

Canada and Empire Trade
(In Canadian dollars (000,000's omitted)

	Total Trade	Empire Trade	Ratio %
1929	2,481	652	26.3
1930	1,894	544	28.7
1931	1,233	373	30.0
1932	946	345	36.4
1933	933	388	41.3
1934	1,166	492	42.2
1935	1,280	551	43.0

Canada's Export Trade

Most important of course is Canada's export trade, which to Empire countries totalled $399 millions in the fiscal year ended March 31, 1936—the highest total in 7 years. This represented in that year 47% of our total exports—a considerably higher ratio compared with the trade of pre-Ottawa days, but somewhat smaller in percentage than in 1933-34 when almost 51% of our total exports were to Empire countries.

In the 10 years prior to signing the Ottawa agreements, between 35 and 40% of our exports went to Empire countries as compared with 55% and 60% in pre-war days.

Empire Distribution

Further analysis of exports as between United Kingdom and other Empire countries shows that the fluctuations are largely in our U. K. trade. Thus figures for the last 10 years disclose very little fluctuation in the proportion of Canada's exports which go to Empire countries other than U. K. The ratio for these exports in 1935-36 is 9.1% as compared with 9.2% the year before the Ottawa agreements were signed (1930-31).

If actual trade figures are used instead of percentages, the effect of Ottawa in respect of trade with other Empire countries appears to be startling since a trade of $46 millions in 1932-33 had risen to $77.7 millions in 1935-36. The percentage figures, however, in relation to total trade are 7.7% and 9.1%.

In the same 5-year period our exports to U. K. had risen from $174 millions to $321 millions, with the ratio figures rising from 29% in 1931-32 to 37.9% in 1935-36. The wide fluctuations in Canada's wheat exports are of course responsible in large measure for many of these wide changes in export totals.

Imports Have Increased

In respect of Canada's imports the evidence seems to be clearer, namely, that since the Ottawa agreements Canada has increased her purchases of goods from Great Britain so that in 3 out of the past 4 years they have amounted to 21% of Canada's total imports as compared with a pre-Ottawa ratio of 15% to 18%.

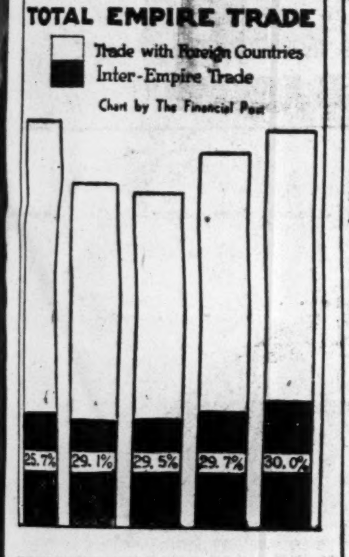
Similarly Canada's imports from "other British Empire countries" rose in the fiscal year 1935-36 to a new high mark of 10.6% of total imports as compared with a ratio which, until 1930-31, had never got above the 5% mark. The ratio has been steadily climbing since the Ottawa agreement was signed. Total imports by Canada from other Empire countries in 1935-36 were $59.8 millions.

More Empire Trade

On balance, not only Canada but other countries of the Empire would seem to have increased their business with each other as a result of the deliberations of August, 1932. Or looked at another way it is found that whereas in 1931 and in the 6 years preceding 1931, the proportion of trade which Empire countries did with one another ranged between 25 and 26%. By 1935 this proportion had risen to a new high mark of 30% having shown steady improvement since the Ottawa agreements.

Not everyone, of course, has found this to their advantage. Some industries have felt keenly this increased competition from Empire contemporaries. Others have found little or no benefit in the Ottawa arrangements.

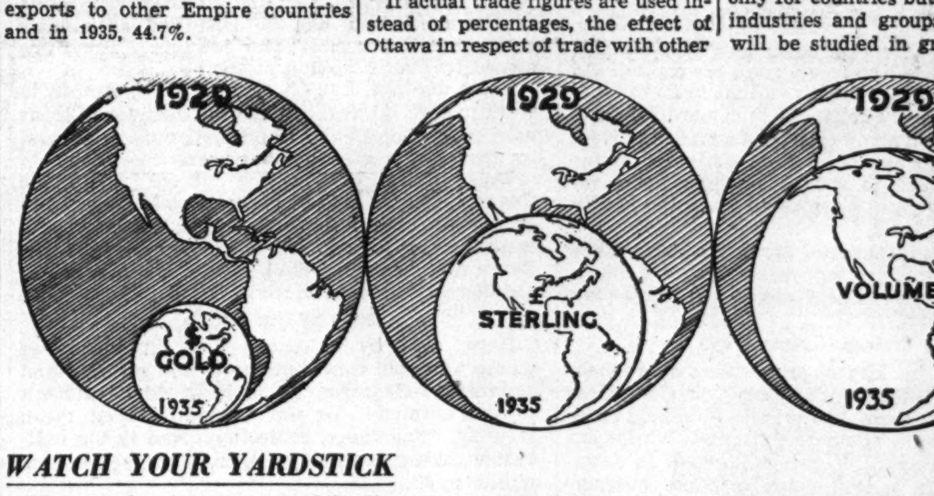
In subsequent articles the interesting facts of these experiences not only for countries but for individual industries and groups of producers will be studied in greater detail.



EMPIRE TRADE

Total trade of Empire countries in 1935 was almost back to 1935 levels but interempire trade meanwhile had risen considerably due to the effect of the Ottawa agreements.

The change is shown in the diagram which indicates that in 1935 inter-Empire trade was 30% of total Empire trade compared with only 25.7% in 1931.



WATCH YOUR YARDSTICK

When you hear someone complain about the way world trade has shrunk since the depression make sure what sort of yardstick he is using. This chart shows 3 ways of looking at 1935 trade returns as compared with 1929, each of which (believe it or not) is different but correct.

Thus if we use the old gold standard (which is still used by the League of Nations as the best available yardstick for comparative world trade figures) we find that trade represented by 100 in 1929 had shrunk to 35 in 1935, as shown in the circle at the left. If we use the pound sterling, the 1935 figure on the same basis is 58, while if we use the yardstick of trade volume in place of value, we get a 1935 figure of 82 as shown in the circle at the extreme right.

Hardship Seen in Wake of Farmers' Creditors Act

Retired Farmer and the Hard-Pressed Country Merchant Sacrificed

In 1934, following 4 years of abnormally low farm prices, the Dominion Government came to the conclusion that much of the accumulated agricultural indebtedness could never be paid off. Six to 8% interest rates and 50-cent wheat were so far apart that the future appeared hopeless.

So it was decided to give the farmer an opportunity of making a fresh start and the Farmers' Creditors Arrangement Act came into being.

But now after 2 years of this legislation, during which millions of debt have been lopped off in individual settlements all over the country, hopelessness has not disappeared. In many cases it has simply been transferred from one set of shoulders to another.

Three Parties Concerned

Unfortunately the act was drawn up with only one party in mind, the honest debtor. But, if the dishonest person is disregarded, at least 3 are vitally affected—the debtor, the creditor, and the potential farmer.

The great bulk of farm mortgages in this country are held by individuals of small means, just as most of the grocery, garage and medical bills run up by farmers are owed to people in the same category. Reducing the farmers' debt simply means similarly reducing the income of the creditor and if the latter is depending on that income to buy the necessities of life, then the stage is all set for hardship.

Again if the whole system of farm mortgages and other farm loans is undermined by individual settlements which arbitrarily scale down both interest and principal, reluctance to make such loans appears.

Vital Credit Dried Up

With that reluctance, the young man contemplating farming finds it difficult if not impossible to proceed. If he is fortunate he may have sufficient capital to make a first payment on a piece of land, but where is he going to find the creditor willing to accept a mortgage?

Between these 2 individuals is the honest and hard-pressed farmer, who through no fault of his own finds his income perhaps but 50% of that enjoyed when his debts were first incurred. Five years of abnormally low prices have resulted in such an accumulation of debts in some districts that even with present much higher values full settlement still appears impossible.

At the right are 3 examples of the parties vitally concerned with the Farmers' Creditors Arrangement Act and below Elmer D. Bell, Brussels, Ontario, lawyer, who has 2 years practical experience in dealing with settlements under the act, writes of the results and suggests a revision.

The Creditor

Mrs. A, aged 56, lost her husband in 1925. As a result it was necessary for her to sell her Ontario farm of 100 acres. This being situated in one of the best sections of the province and made up of nearly all first-class land, a buyer was found who offered $10,000.

Mrs. A did not insist on any cash payment. In fact, she preferred to keep the money tied up in a 7% first mortgage as the revenue from such, $700 per year, when added to the $600 she received from the $10,000 in government bonds that her husband had accumulated, would assure her of a comfortable income for the rest of her days.

Though there was some stipulation of a small annual principal payment, this was never paid after the first few years, and from 1929 on Mrs. A had difficulty in collecting only a portion of the annual interest. In the meantime, too, government bonds had matured and had been exchanged for those bearing a much lower interest rate.

Last year the purchaser of Mrs. A's farm sought a settlement under the Farmers' Creditors Arrangement Act. He was successful in having the principal and arrears of interest reduced approximately 20% and in addition secured an annual interest rate of 4½%. Thus, Mrs. A's income from this source was reduced from $700 to about $400. Her total income had shrunk from $1,300 in 1926 to $800.

The Debtor

In 1926 Mr. B, healthy, age 30, and the father of 3 children, bought a 400-acre grain farm in Alberta. This cost him $50 per acre or a total of $20,000. Previous hard work, plus a small inheritance, had permitted Mr. B to accumulate $10,000 which he paid on the farm. The mortgage at 7% on the balance called for interest charges of $700.

With wheat at approximately $1 per bushel at the farm, and an average crop of 5,000 bushels or $5,000 per year, Mr. B thought he had nothing to worry about. Mortgage interest, taxes, and the new machinery and stock necessary, could be financed easily from such a revenue.

But dollar wheat did not continue. Mr. B found himself glad to net 50 cents per bushel for his average grade of grain. Now he had an income of only $2,500 per year. No matter how Mrs. B skimped, this was insufficient to meet the $700 mortgage interest, taxes and the note on the machinery.

The whole transaction, at least so far as Mr. B was concerned, had been based on dollar wheat.

But the price failed to hold and, with that slump to around 50 cents per bushel, there was little chance of Mr. B being able to meet running expenses and financial obligations. One real crop failure added to 3 years of low prices and Mr. B was entangled in debt.

The Newcomer

Now comes Mr. C, a young chap, just turned 25, and newly married. He wants to purchase a farm in Manitoba. He hopes to specialize in beef cattle and grain. By hard work he has accumulated a capital of $2,500. Many times he has heard his father remark that he had started farming and married life on a total capital of less than $100. With 25 times this amount Mr. C thinks he is in excellent shape. It will be necessary, of course, to get a mortgage on the farm he hopes to buy and also to get a financial accommodation for the purchase of stock and machinery.

But Mr. C runs into his first snag when he finds no takers for a $2,500 mortgage on a place considered a bargain at $5,000.

The regular lending companies have become sour on the farm mortgage field and 2 or 3 of the well-to-do neighbors he approached report recent and severe losses in investments of this kind.

Mr. C receives more discouragement when he broaches the matter of loans to cover cattle or equipment purchases. With settlements under the Farmers' Creditors Arrangement Act cutting down the principal and interest on sales made in good faith, lenders have been forced to adopt a most cautious attitude.

Mr. C abandons his ambition to own a farm.

By ELMER D. BELL

Previous to the passing of the Farmers' Creditors Arrangements Act, the farmer who was unable to meet his liabilities could make an assignment to an authorized trustee in bankruptcy. His assets were then sold and distributed among his creditors pro rata unless the creditors had some security in the form of a lien or mortgage. In the latter case the security remained untouched in the hands of the secured creditor. The severe depression in agriculture, however, caused Parliament to look in all directions for some way of relieving the distress among the farm population and one of these attempts was the Farmers' Creditors Arrangements Act.

Two Classes

The Act has 2 parts.

One deals with the case of the hopelessly insolvent farmer who desires to make an assignment for the benefit of his creditors. These persons are now able to go to the official receivers appointed for each district and the assignment is economically and expeditiously handled by him. This is a real advantage, as under the old system burdensome costs ate up all the assets.

The second part of the Act provides that any farmer who feels his financial obligations are too high may go to the official receiver of his district and lay his proposal for scaling down his debts. In reality the proposal is usually formulated by the official receiver. The official receiver then calls a meeting of creditors to consider the proposal. Roughly, a majority of creditors, if there are no secured creditors, can bind the remainder of the creditors to the acceptance of the plan of reduction of debts or extension of time for payment granted to the debtor. However, if there are secured creditors, these must consent to an arrangement dealing with the security held by them.

Wide Powers

If no arrangement can be made by consent of the parties or as above mentioned, the usual procedure is an application to a board of appeal known as "The Board of Review," which is an appointed body of 3 commissioners. The Board has full powers to formulate proposals for the acceptance of the creditors and to enforce these by its own motion. There is no appeal from the Board so that its decisions are absolutely arbitrary and unfettered and it uses absolute discretion. In this way the Board of Review has more power than any court in the land.

Benefits vs. Hardships

What has been the practical outcome of the legislation?

Figures have been released by Ottawa boasting of the millions of debts written off under the machinery of this Act, and the inference was that, therefore, the Act must be a success. On the other hand, creditors fared a loss of exactly the same amount as the debtors gained, so the reverse of the picture is not so rosy.

The average farmer who seeks the protection of The Farmers' Creditors Arrangements Act owes the local merchants for goods supplied or the bank for a loan to purchase livestock, etc., or his friends from whom he has borrowed, or on a mortgage which he negotiated in order to purchase his farm. In many cases the farmer owes in all these classes. None of these creditors can afford to take a cut in their account.

Creditors Not Wealthy

Merchants, as a rule, are not a wealthy class and they have to pay for the goods which they supply. The banks are the custodians of the funds of the general public, and friends, as a rule, are other farmers of moderate means.

As to the mortgages, it is a singular fact that most of these are held either by—

1.—trust companies who hold for investment trust funds of estates and individuals for which they are responsible often to widows and orphans or other dependents, or

2.—by persons of very moderate means who have placed their life savings therein as an investment to keep them when they retire.

It is singularly true that the rich are not heavy investors in mortgages. Mortgages in the past have been the gilt-edged security of the persons of small means.

Slash Unsecured Debts

The Act therefore to achieve its purpose must cut down the amounts owing to the above classes and the policy pursued by the Board of Review has been to slash vigorously the unsecured accounts. The result has been a panic among merchants and unsecured creditors who have consented to many one-sided arrangements which rob them of payment for goods freely supplied.

In connection with mortgages the policy of the Board has been to cut the interest rate almost invariably to a rate lower than that at which the Canadian Farm Loans Board will loan money. Where a farmer has sold his farm and taken a mortgage back as security, and the farm has deteriorated in value, the mortgagee as a rule has a portion clipped from his principal.

In this the farm is valued at a depression level which appears unfair to start with, and when one considers the farmer who sold for cash, we see he is much better off than the farmer who extended credit to the purchaser.

Retired Creditor Hit

Where money has been directly loaned on farm property, the loan is cut in principal to the value of the farm as appraised by the Board as above mentioned. The inequity of this can be seen when the mortgagees gave a loan up to the value of the farm in good times and for his act of grace is now penalized. Besides the practice has been to cut off interest arrears with great abandon. The general effect of this legislation has been to deprive huge numbers of retired and dependent persons of their only income.

The broad general effect of the Act has been disastrous to farmers. Merchants once bitten have a tendency to discontinue credit to persons of a class to which it has been their custom to extend credit since the country was hewed out of the virgin timber. I am assured by bankers that the Act has cut down the opportunities of securing needed loans to numerous farmers. It is true that the Act specifically exempts debts incurred after May 1, 1935, but the leaven has done its work and merchants fear amendments to the Act which will extend this date, and the fear will not be eradicated.

Disastrous Effect

The effect of the Act on farm loans has been disastrous. The young man who wishes to secure money on a farm mortgage to complete the purchase price of a farm can no longer borrow from those former sources which are now afraid to lend. The farmer, therefore, has only one good source of loans, the Canadian Farm Loans Board. Loans from the board are not given too expeditiously and are accompanied by considerable red tape which is galling to the farmer.

The result of this legislation on the whole, then, is a tightening up of credit to the average farmer at a time when credit facilities should normally be opening up. The effect of the discouragement of investment in farm mortgages indirectly causes higher interest rates than would be the case if the demand for farm mortgages as an outlet for investment were greater, and so the very opposite result is achieved to that which is intended under the Act.

Abuses Rampant

The abuses of the working of the Act are manifold. In the first place the Act is not resorted to by the

(Continued on page 16)

Every Man a Capitalist

Five Million Life Insurance Policies and Four Million Savings Accounts Provide the Answer for Canadians to the Query "What Is a Capitalist?"

At the request of The Financial Post, N. W. Ayer & Son, of Canada, have re-written from the Canadian viewpoint this special article which was published in the United States to show the vital stake of the life insurance policyholder and the savings bank depositor in the capitalistic system as it exists on this continent of North America.

At this time of financial and monetary uncertainty this forceful statement of "co-operative capitalism" with its direct application to millions of Canadian policyholders and depositors has especial interest.

Using a term again and again should make its meaning clearer. But the contrary is often the case.

Consider the term "capitalist."

Even though it appears every day in the columns of the press and is discussed in thoughtful magazines; even though it recurs in the conversation of the average man frequently; still there is general confusion as to just what a capitalist is.

In one man's mind the term may connote vast wealth, the ownership and control of factories and railroads and mines, which produce in their turn more wealth.

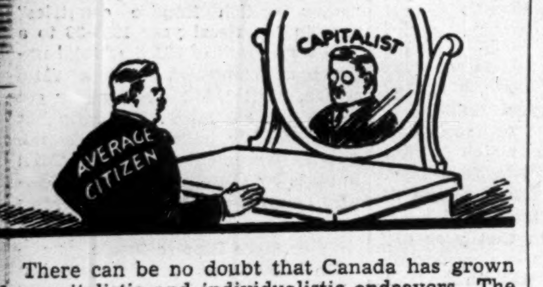
But it is a fact that the farmer is as definitely a capitalist as the industrialist.

So is the owner of a small grocery store, or a garage, or a filling station.

So, for that matter, is the owner of a life insurance policy or of a savings account.

Deep-rooted Traditions

All too often the man who is himself a capitalist fails to recognize the fact. Capitalist to him means some remote and affluent personage beyond the circle of his acquaintance.



There can be no doubt that Canada has grown by capitalistic and individualistic endeavors. The sayings and proverbs of our early days expressed a philosophy definitely capitalistic. Gleaned from copy books, they became a part of the thinking of the average Canadian of the day. . . . "A penny saved is a penny earned." "Waste not, want not." "Remember that time is money." "God helps those who help themselves."

It was not altogether natural that the men who pioneered in Canada should have had deep-rooted ideas of capitalism. They were enabled to turn their backs on a homeland where life seemed difficult and cramped, and to sail toward a new world where opportunities for financial growth and intellectual expression seemed greater. The term "Adventurer" was just another way of saying stockholder, or capitalist.

The Rôle of the Pioneer

The desire to reach out, to prosper by one's own work, skill, judgment, initiative, has lived as a sound Canadian tradition. It motivated pioneer and frontiersman as they moved West and with their families settled in green valleys and wide fertile plains.

The man who felled trees, built a log house, planted corn, was a capitalist. His tools and his brawn, if he owned no more, were his capital. As he prospered, he invested his savings in more land, in better stock and equipment in a more comfortable dwelling. On many thriving farms in the West today, the owner can point from the porch of his comfortable house to the spot where his great grandfather first built a log cabin when the family moved onto the land.

It is true that methods of earning a living have changed with the passing years. Today a much smaller percentage of Canadians live on farms than once was the case.

Old Virtues — New Ways

Today men in larger proportions find their livings in the factory, the store, or the office. Industrial development, invention, expanding business, have brought about this change. No longer are men called upon to open wilderness in order to build homes. Indeed many of these average workers in industry do not own their own homes. They live in rented homes or apartments. There is no homestead, in most cases, to be a source of security and protection.

But as truly as in 1790 or 1890, the Canadian adheres to the capitalistic, individualistic tradition. A whole attitude toward life which has made a nation great does not die easily. The Canadian still adheres to those virtues for which his forebears are so often venerated — self-reliance, independence, thrift. He is insistent still upon taking care of his family through his own efforts. And he is fully capable of doing so.

Insurance and Savings

The methods by which the average man works out his financial salvation today are the life insurance policy and the savings account.

Canadians own more life insurance per capita than any other nation in the world, except the United States. That is stating the case mildly.

With less than 1% of the population of the world, Canada owns nearly 5% of the life insurance.

At the end of 1930 our life insurance totalled $7,392,706,000, or 4.8% of the life insurance in the whole world. Only the United States and the United Kingdom own more life insurance than Canada. Canada, with only a fraction of their population, owns more life insurance than Germany, France and Italy combined.

Canada Ranks Third

The 10 leading countries from the point of view of life insurance in force were, in 1930, as follows:

United States	$107,948,278,000
United Kingdom	12,624,879,000
Canada	7,392,706,000
Japan	4,557,874,000*
Germany	4,161,825,000
Australia	1,770,993,000*
France	1,400,694,000*
Sweden	1,334,668,000
Netherlands	1,146,525,000
Italy	1,112,452,000

* Including government insurance.

Five Million Policies

Canadian owners of one or more ordinary, industrial and fraternal policies number approximately 5 million . . . or practically every other man, woman and child in Canada.

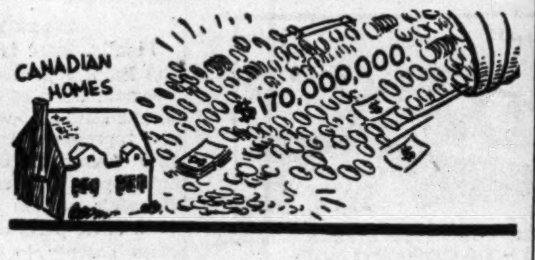
Most of Canada's owners of life insurance are people in modest circumstances. The average coverage is about $1,400. But the fact that they are men and women of moderate means makes their investment in insurance the more important.

To many businessmen the sum of $1,400 may not seem great. But to a widow the difference between being penniless and having $1,400 to tide her over distressing months is great indeed.

When more comprehensive but still moderate life insurance programmes are considered, it is encouraging to realize that the wage earner or small-salaried man can, and does, protect his family, provide for the education of his children, lay by funds for his own retirement years, through the great capitalistic and typically Canadian business—life insurance.

Canada's Stake in Industry

Each year since 1929 Canadian life insurance companies have sent into Canadian homes sums varying from $110 millions to $170 millions.



These sums represented, besides death payments, matured endowments, annuities, dividends, surrender values and disability benefits.

More than twice as much money has gone to living policyholders as to beneficiaries of deceased policyholders.

These enormous sums paid out annually to the Canadian public by life insurance companies represent virtually all the wealth . . . the estate . . . the life-accumulation . . . of millions of Canadians. It is the tangible result and evidence of their toil, the most valuable material possession that they have.

Thus, including both policyholders and beneficiaries, three-quarters of our population are largely dependent for their financial stability and security upon insurance. They have a vital interest in the well-being of the insurance companies — a vital stake.

Yet the well-being of the life insurance companies is inextricably bound up with the well-being of Canadian industry and the Canadian capitalistic system as a whole. For the monies paid in constantly by these 5 million policyholders must be, and are, put to some productive work. And this is done by investing them in securities important to the national welfare.

Savings Accounts

If anything were to go radically wrong with these investments, it would mean that the insurance policyholders of Canada could not realize upon the investment which they have made in the insurance companies.

Therefore every man, woman and child who owns an insurance policy has a direct and immediate stake in industry and the Canadian business system . . . and is, by the same token, a capitalist.

The same is equally true of savings accounts. Savings accounts and insurance are the 2 great means of building up an estate for the average Canadian.

The notice deposits in the 10 chartered banks of Canada, which can be classified as savings accounts, total almost $1.5 billions. They are owned by over 4 million people.

These deposits, like all bank deposits, are put to work to earn interest through the medium of loans used to develop Canadian business enterprises and investments, largely in governmental securities.

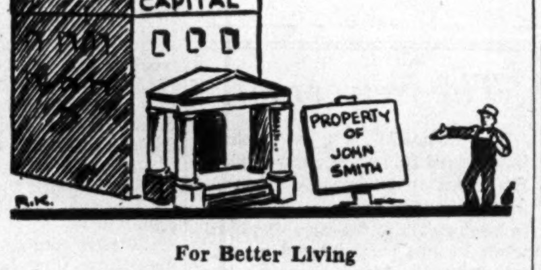
Every dollar of the $1.5 billions which the Canadian public has put away for sake keeping in savings accounts is dependent upon the safety and well-being of industry and Canadian business life. Every man, woman and child who has so much as a dollar in a savings account, is a capitalist.

Serving the Nation

Here, side by side, are 2 great businesses whose valuable contributions to the serenity and stability of Canadian living it would be difficult to overestimate. To the individual they mean security, competence, protection. And in the individual they encourage patience, thrift, self-denial, public spirit.

But the story of the contribution to our civilization made by these 2 great businesses does not end with their helpfulness to millions of individual citizens. The savings of these millions, through the medium of the life insurance company or the bank, have been put to work actively for the good of all the people.

They have been invested helpfully in the building of the entire nation. They have worked for improvements that made life pleasanter and more profitable for everyone.



For Better Living

Some of the money has helped to finance railroads. Better schools, smoother, wider roads have resulted from these funds. In the cities, apartment houses, industrial plants, loft buildings, homes have been thus aided. And throughout the land the electric light and power industry, which has done so much to lighten burdens for housewife, industrial worker and farmer alike, has been generously financed from these great repositories of the savings of the people. Countless villages and municipalities have become pleasanter and more secure places in which to live because of monies placed at their disposal from these accumulated funds.

Other great corporations have added immeasurably to the richness of Canadian living. They have supplied desirable, material things. Year by year prices have been reduced, until the luxuries of yesterday are enjoyed by the average individual today. The automobile, the radio, the electric refrigerator are but a few examples. The ingenuity and the resourcefulness of an unhampered industry seem to know no bounds. New inventions, new labor-saving devices, unheard-of products will, in their turn, be placed at the disposal of all. That is the Canadian way.

Capitalism and Progress

But all these things are possible because the average Canadian is, at heart, a capitalist . . . because he has the instinct strong in him to save, to conserve and expand his purchasing power, to build his life upon the rock of financial independence and stability.

Through life insurance and savings accounts the Canadian people have made themselves one of the richest nations in the world in funds conserved for their present and future protection.

Life insurance companies and banks have been called "Great Corporations of Little People." Through them the average man has become a capitalist . . . to his own strength and contentment . . . and vastly to the strength of the nation!

NEW SUPERVISORS

Great-West Life has appointed J. B. Nettlefield (upper picture), of the company's No. 2 Toronto agency, as supervisor in that branch under C. C. Martin, branch manager. W. J. Stoneham (lower picture), of the same agency, has been appointed supervisor at Detroit under branch manager A. P. Johnson.

Life Salesmen Militant in U.S.

Underwriters Express Alarm at Trend of Insurance Affairs

Life insurance underwriters in the United States got continent-wide publicity the other day by announcing from the annual meeting of the National Association of Life Underwriters at Boston that all is not well with the insurance situation in United States at the present time.

To the accompaniment of continent-wide headlines the association "stepped out" as spokesmen for the insuring public, saying in effect (according to Clarence Axman, president and editor of the Eastern Underwriter) "that the social security programme of the U. S. Government is having an unsettled effect on the nation; that underwriters are disturbed by the growing tendency of the government to enter the investment mortgage market, and the expectation that life insurance companies should invest so large a proportion of their assets in government bonds at low yields. They also urge that 63 million policyholders want a representative named to one of the major cabinet posts 'in order to safeguard their interests.'

"In short," says Mr. Axman, "the underwriters apparently took it into their own hands to ignore the viewpoint of their company executives to declare 'that they are tired of pussyfooting,' that they no longer intend to remain either silent in denouncing what they regard as dangerous trends or in refraining from attacking critics and exploiters of life insurance.

"The underwriters maintained that their membership of more than 25,000 is constantly in the field making contacts, that these agents have been put on the spot and that they have a responsibility to the millions of policyholders in seeing that their interests are protected."

A. SIDNEY DAWES, president of the Atlas Construction Co., has been elected to the board of directors of Reliance Insurance Co.

Wholesale Insurance Is Unknown in Canada

Nearest Approach to American Agents' Bogey Is Licensing Company Employees as Agents

Elimination of the middleman in the fire insurance business—the agent—is apparently only a visionary phenomenon conjured by a few radicals, in so far as Canada is concerned.

In the United States, however, the address of W. H. Bennett, secretary and general counsel of the National Association of Insurance Agents, at the annual meeting of that organization recently, must have shocked a great many of the agents in attendance. Calling on the "Big Five," Home of New York, America Fore, Hartford Fire, Royal-Liverpool and Insurance Co. of North America to jettison what he termed a wholesale production theory, Mr. Bennett stated, "It is obvious that there exists in this country today insurance management which looks with longing eyes into the supposed green pastures of wholesale insurance, visualizing the receipt of large blocks of premiums, secured directly and without the intervention of an agent anywhere."

Unknown in Canada

Fire insurance agents consulted by The Financial Post express themselves unaware of any demand for "wholesale" insurance by large assureds or of any direct writing of insurance by stock companies in Canada. They find it difficult to reconcile writing wholesale insurance with the rules and regulations of the rate associations of which the companies are members. They also fail to appreciate just how wholesale insurance can be written without conflicting with insurance legislation in respect to rebating and discrimination.

It is felt that elimination of acquisition cost, which is obviously the object of company-written business, cannot be effected without upsetting rates on certain classes, unless it is the intention of the company to discriminate against business written through the regular agency channels. A reduction in rate based on supposed wiping out of the cost of obtaining the business would constitute rebating under most insurance laws.

Doubt Saving

Most agents contend that even if "wholesale" insurance were legal and in accordance with rulings of the various insurance regulatory bodies, it cannot be established that any saving would accrue to the assured. According to their argument, acquisition cost would only appear in some other way and would eventually be reflected in the rates. It is stated that time has shown the agency system to be the most economical method of acquiring insurance business.

Indeed, the whole question raised by Mr. Bennett revolves around the system employed by the companies to acquire business. In Canada and the United States, the agency system has become an integral part of the insurance business. In Great Britain, business is written both through agents and by companies direct. Expense ratios in the 3 countries are about the same.

Employee Agents

The only practice in Canada which even remotely resembles "wholesale" insurance is writing of business by salaried employees of some of the companies. Agents contend that the situation in this regard is definitely serious, particularly in some of the larger centres. In Toronto, for instance, it is estimated that between 300 and 400 company employees are licensed agents. This means, of course, that agents have to meet the competition of employees of companies for which they write business. While agents associations do not officially object to licensing of company employees when there is a possibility that they will eventually become agents, it is stated that very few employees "graduate" to agency ranks.

A number of company officials, as well as agents, are convinced that appointment of salaried employees as agents is ethically and morally wrong. Not only does it affect company-agent relationships, but it is distinctly a matter of public interest. It is contended, for instance, that a salaried employee cannot adequately represent a client or an assured, where a policy written by him becomes a claim. He is torn between the conflicting interest of his client and his employer. Further, in the event of litigation, the status of salaried employees would undoubtedly be questioned.

Apart from employee-written insurance, there is said to be very little to be apprehended from wholesale writing of insurance in the Dominion. The scope for such direct writing is limited. It could only be developed to a very limited extent without replacing the agency system by a method which, it is claimed, would be more cumbersome and expensive both to the assured and the company. Intense competition between companies for premiums might tempt some of them to try this method of obtaining business, but agents feel that at most it would be only an experiment. There are more effective methods, they point out, by which acquisition expenses can be reduced.

Mr. Bennett's Contention

In illustrating his contention that direct production of insurance was the "one problem which overshadows all others" from the viewpoint of the American fire insurance agent, Mr. Bennett cited the "demand of some of the large insurance buyers who declare that the agent is unnecessary in their scheme of thinking; that his only sphere of usefulness lies in the smaller business, not placed with these new ventures who are taking a place in the sun by crowding out and overthrowing those who have a legitimate right to be there.

"In this attitude," said Mr. Bennett, "they forget that in attempting to buy insurance direct on a wholesale basis, they are asking the company to violate state laws and insist on receiving favoritism over the smaller merchants or manufacturers. It is undeniably true that the insurance business must mold itself to fit modern business needs, but in so doing it must guard against this new method of violating the fundamental principles of insurance, disregarding the wise and wholesome loss surrounding it, and overthrowing a method in operation for 100 years.

Radical Theory

"While such an outcome seems radical and visionary, nevertheless it is to be remembered that in this day of experimentation we find many a radical attracting the attention of the multitude on the theory that the old order must give way for something new. If it be true that a radical is only a liberal exceeding the speed limit then we must realize that this species abounds on every hand.

"I call upon the management of the Home Insurance Company, the America Fore Group, The Hartford Fire Insurance Company, The Royal-Liverpool Group, and the Insurance Company of North America, the 'Big Five' in the insurance business, not to take a walk in this campaign; not to walk out on the American agency system. If these great leaders could see their way clear, emphatically, definitely and finally to place their stamp of disapproval upon this wholesale and direct production theory, it could be eliminated over night; and if this 'Big Five' could be joined by a like number and in like positions in the casualty business, it would be the beginning of a glorious future, triumphantly moving into the next 40 years with the absolute certainty that the insurance highway will be cleared of all obstacles."

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

I have been approached by an insurance agent attempting to sell me a policy of sickness and accident insurance with the Mutual Benefit, Health & Accident Association of Toronto.

As a farmer, I wish to know the standing of this company. Are they able to stand behind their claims and payments? I would be very grateful for any information you can offer me about the company.

The Mutual Benefit, Health and Accident Association was granted a Dominion license late in 1934 and since then has received provincial licenses in Ontario, British Columbia and Manitoba. Head office of the company is in Omaha, Nebraska.

As a mutual organization, of course, policies of the association are open to assessment, although officials state that none have been made in the company's 27-year history. Local claim offices are maintained in most of the important centres throughout Canada and the United States, and we understand that adjustments are handled promptly.

Assets of the association as a whole total $3.8 millions, the largest part of which is comprised of securities and cash. Surplus to policyholders is $400,000. This summer, the association increased the deposit with the Department of Insurance at Ottawa, maintained for the sole protection of Canadian policyholders, from $44,000 to $100,000.

Actual business in Canada in 1935 represents only about 6 months operation. In that period premiums written amounted to $40,558 against which claims of $8,915 were paid. Business of the company to the end of September this year has about tripled that of a year ago, with $120,000 in premiums written. It is understood loss experience is in the neighborhood of from 30 to 35%.

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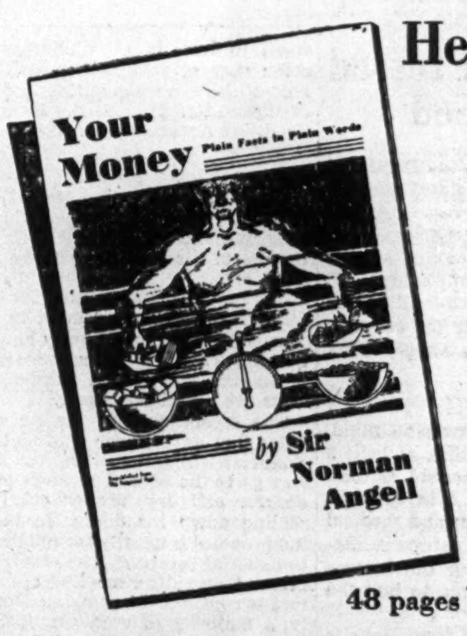

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Bank Chat

Misleading Criticism

CANADIANS have no right to become directly tangled up in the unit versus branch banking controversy in the United States. They have a very definite right, however, in ensuring that when the Canadian situation is referred to—as it is by both sides—a proper regard be kept for the facts.

In a recent address to National Supervisors of state banks at Detroit, Henry B. Steagall, chairman of the Congress committee on banking and currency, made some very interesting comments on the Canadian banking system.

"Canada," he said, "has no banking system, in the true sense of the word, for services such as we have had in the United States. Canada has only 10 banks. The country is served by 3,500 branches. In communities served by these branches citizens requiring credit for agriculture, commerce or other legitimate purposes, must rely for consideration upon offices in distant cities where personal contact and knowledge are impossible, and where local interest and pride are unknown. The result is that Canada, with a vast territory equal to that of the United States, teeming with wealth of soil, in minerals and in timber, has today a population of only 12 millions with a wealth of $30 billions, while in the United States, under our system of unit banks, we have grown to a population of 125 millions with a wealth of $300 billions."

* * *

Population Panacea

THOSE with any knowledge whatsoever of the Canadian banking system will take issue with Mr. Steagall both in regard to the inference and the "facts" included in his talk. No responsible Canadian citizen within our knowledge has ever attributed our relatively small population and wealth to a system of branch banking. It is true, policies adopted by the banks have been blamed by a good many people—many of them with an axe to grind—for a good portion of the depression. Even the wildest money radical, however, has yet to suggest that a unit system of banking would sufficiently overcome geographical and climatic handicaps to attract as large a population as our neighbor to the south.

Moreover, it will be noticed that according to Mr. Steagall's figures, Canada's per capita wealth is slightly higher than that of the United States.

* * *

Branch Loans

BANKERS will emphatically deny the allegation, which has not originated with Mr. Steagall, that "offices in distant cities where personal contact and knowledge are impossible and where local interest and pride are unknown" unduly restrict legitimate loans.

They would point out, for instance, that between 90 and 95% of all loans are passed upon by branch managers without recourse to the head office whatsoever.

In most of the municipalities where branches are located, it will be found that the bank manager is one of the leaders, not only in the business, but in the civic and social life of the community. He has found that his own interest and his bank's are definitely linked with that of the community as a whole.

* * *

Money Alloys

IT IS generally realized that Canadian coins are alloys rather than pure metal. But we wager there are few who can state just what metals are contained in the various coins.

Gold pieces are 0.9 fine, the alloy being copper. This metal is also found in silver coins although in greater degree as the silver is 0.8 fine. That is, silver is 0.8 fine in coins minted since 1920. Until that time, they were minted with the former British standard fineness of 0.925.

Nickel coins are 1.000 fine. Coppers, rather surprisingly, are not. They are alloyed with 0.03 tin and 0.015 zinc.

Even notes cannot be said to be simon pure. Canadian notes are engraved at Ottawa on paper made 75% of linen and 25% cotton.

* * *

Easy Identification

AN INTERESTING yarn is being circulated of an incident which occurred during the visit of Graham F. Towers, governor of the Bank of Canada, to a certain well-known Maritime resort. Finding himself short of funds, Mr. Towers entered the local branch of one of the chartered banks and asked to have a cheque cashed. He was unaccompanied at the time, and apparently the name meant nothing to the paying teller. Even if he had connected "Towers" and the Bank of Canada, it is unlikely that he would have imagined the very young man before the counter as that particular Towers. Following customary procedure he asked for identification.

Phased for the moment, Mr. Towers soon hit upon the solution to the problem. Reaching into his pocket he drew out a $1 bill, which, of course, bears the signature of the governor of the central bank. Comparison of this with the endorsement on the cheque proved to the teller's satisfaction the cheque would be covered.

Sir T. Chapais Resigns From Bank Directorate

From Our Own Correspondent

MONTREAL.—Following his appointment as Minister without Portfolio in the Quebec government, Sir Thomas Chapais has resigned his directorship of the Banque Canadienne Nationale.

Credit Policy Revision Seen For the Banks

American Banker Predicts Easier Loan Practice

INVESTMENT PROBLEM

The opinion that banks will have to look to loans other than true commercial loans—loans based on the borrowers' credit, installment credit and home financing—was expressed at the convention of the American Bankers Association by R. V. Fleming, retiring president.

Mr. Fleming's speech, which applies to Canadian almost as much as to American banking trends, follows in part:

In my judgment, for the present at least, commercial loans cannot be relied upon as the chief earning asset in our portfolios. Due to conditions following the 1923 deflation when huge inventory losses were sustained, coupled with the activity of investment houses and the strong market for securities, a situation was brought about where many corporations which were commercial borrowers at seasonal periods built up their capital position to the point where they did not need this banking service. Also, there has been a complete change in the method and rapidity of manufacture, transportation and distribution which has eliminated much of the need which formerly existed for carrying large inventories requiring commercial borrowing.

Loans Hesitant

There are some who feel that with a balancing of the Federal budget and the resultant return of business confidence, rates for earning assets will increase, surplus funds will not be created by deficit financing and, as economic conditions improve, there will be a restoration of the volume of commercial credit. But, for the present at least, this does not seem likely unless, as some feel, it might be brought about by the tax on undistributed earnings which, however, introduces other factors requiring careful consideration in the extension of credit.

Enter Other Fields?

Therefore, it seems to me that at least for the time being we will have to look to other fields to employ our loanable funds, such as loans other than true commercial loans, where the credit will be based upon the soundness of the borrower, the assets securing the loan and the borrower's ability to amortize the loan over a reasonable period of years, and other types of credit, such as installment credit and home financing. However, in making loans of this kind, every banker must take into consideration the type and character of his deposits and see if the volume and terms of the credit to be extended are in the best public interest, always maintaining what I would term an adequate degree of liquidity.

I think we should realize that our customers are not bankers and when applications are made for loans which at first do not appear to be bankable we should carefully analyze the proposition to see if it cannot be placed in bankable form. If the loan can be made bankable, we will acquire a good earning asset and if it cannot be made bankable, then, in the interest of good public relations, I think we should take pains to explain clearly and frankly the reasons why the request cannot be granted.

Investment Analysis

Looking at our immediate future, attention must be directed also to the increase in the investment portfolio of the banks of the nations. I believe great care must be exercised in the purchase of securities. An examination of the records of these institutions which failed to survive the depression clearly indicates the necessity for carefully analyzing the character of securities prior to and following purchase. There is no question but that the bond portfolio is playing an important part in the earning assets of banks, and I believe it is highly essential that each and every institution have on its staff officers and employees trained in the examination and analysis of securities.

Specialized Work

The purchase of a bond is an extension of credit the same as the granting of a loan, and officers and employees handling this part of the bank's operations should be just as conversant with the trends, and as carefully schooled in the examination and analysis of securities, as the lending officers must be in that phase of the bank's activity; even more so, because in the extension of credit to borrowers, the officers are usually well acquainted with borrowers, whereas very few of those who manage the corporations whose issues we buy are intimately known to the officials of the purchasing bank.

Design of New Notes Not Yet Determined

Expect Bilingual Bills to Appear Late Next Year

From Our Own Correspondent

OTTAWA.—It is unlikely that the bilingual Bank of Canada notes, authorized at the last session, will get into circulation before early fall of 1937. The Financial Post was advised this week.

The Bank of Canada is still considering designs, and nothing has yet been authorized by the Minister of Finance. Several considerations enter into the choice of designs, aesthetic, historical and practical. For one thing, it must be a design which does not lend itself readily to duplication or counterfeiting. Then there are high standards of artistic quality to be maintained. Several months study is usually necessary before the craftsmen can actually begin the etching and engraving of the plates.

The present prospect is that designs will be approved about the end of this year, and that the plates will be ready for printing a couple of months later.

Need For Maturing

When a bank bill is newly printed, it is described in the trade as "green." If it were issued at once, 2 undesirable effects would be noted. The paper would wear out much more rapidly than it should, and the ink, which has not had time to crystallize or "set" into the paper, would tend to smear when the notes were handled.

To add to its life, and to give the ink plenty of time to go through essential chemical changes in the paper, the newly printed bank notes are "matured."

This process consists of stacking the notes in ovens in which the humidity and temperature can be exactly controlled. Sometimes it has been necessary to issue notes with less than 6 months' maturing, but that is the optimum period. When the first Bank of Canada bills came out, it was impossible to mature them thoroughly, and wear and tear was higher than it would otherwise have been.

The average life of a one dollar bill, properly matured, is about a year. Higher denominations last longer.

Distribution Gradual

When the new bilingual bills are ready, they will be gradually substituted for the present issue. As the English and French notes wear, and are turned in to be destroyed, they will be replaced with the new issue. There is no intention of calling in all outstanding notes and replacing them at once with bilingual bills, although the normal process of replacement may be speeded up a bit by taking bills not quite so badly worn as would otherwise be the case.

Weekly Bank Clearings

	Oct. 8 1936 $	Change year ago %	Oct. 1 1936 $
Halifax	2,804,004	+13.5	2,171,202
Saint John ..	1,979,693	+21.7	1,755,017
Moncton	786,618	+12.3	756,767
Sherbrooke .	760,244	+10.2	530,521
Quebec	6,740,239	+58.5	3,723,671
Montreal	104,406,543	+25.7	105,790,697
Ottawa	29,408,330	+23.2	15,799,908
Kingston ...	650,591	+9.2	576,667
Peterborough	699,195	+11.2	606,929
Toronto	136,546,963	+32.8	127,554,349
Hamilton ...	5,620,951	+34.5	4,826,129
Kitchener ...	1,251,240	+14.3	1,178,649
Brantford ...	1,146,358	+23.5	836,014
London	3,127,687	+27.4	2,562,118
Chatham	537,401	+37.0	471,232
Windsor	2,711,545	+40.0	2,515,044
Sarnia	501,862	+11.6	380,551
Sudbury	864,207	+8.4	988,690
Fort William	861,370	+28.7	739,938
Winnipeg ...	89,489,377	+6.8	75,851,186
Brandon	454,766	+29.7	399,608
Regina	8,303,086	+1.1	8,168,409
Moose Jaw ..	935,122	+23.7	845,305
Saskatoon ..	2,236,158	—1.4	2,210,381
Prince Albert	496,525	+18.2	396,322
Edmonton ..	4,334,257	+10.2	3,950,869
Calgary	7,412,508	+2.5	7,994,161
Medicine Hat	313,646	—30.4	290,430
Lethbridge ..	532,960	—10.4	592,372
N. W'minster	742,582	+24.2	753,345
Vancouver ..	22,384,949	+42.0	19,848,491
Victoria	2,333,028	+27.1	1,739,092

Public Utility Earnings

B. C. Power Corp.

August:	1936 $	1935 $
Gross revenue	1,223,661	1,124,924
Operating expenses ..	710,547	637,356
Net revenue	513,114	487,568
2 Mos. end. August:		
Gross revenue	2,433,495	2,216,071
Operating expenses ..	1,413,730	1,242,392
Net revenue	1,019,765	973,679

Jamaica Public Service

August:	1936 $	1935 $
Gross earnings	72,484	69,626
Net earnings	28,273	28,430
Surplus after charges.	19,666	19,843
12 Mos. end. Aug. 31:		
Gross earnings	876,200	846,683
Net earnings	349,515	345,931
Surplus after charges.	245,548	241,787

The above figures converted from £ sterling at the rate of $4.86⅔ to the £.

Bank of Canada Weekly Statement

Reflecting mainly continuance of seasonal increase in note circulation and larger deposits of the chartered banks, security holdings of the Bank of Canada advanced a further $5.4 millions in the week ended Oct. 7. Reserve ratio declined to 57.32%.

Balance Sheet

	Oct. 7 $	Sept. 30 $
Liabilities		
Capital paid-up ...	10,100,000	10,100,000
Notes in circ.	130,563,606	127,790,379
Rest fund	173,092	173,092
Dep.: Dominion ...	13,711,542	13,615,934
Banks	175,740,092	173,845,565
Other	86,345	101,980
Total deposits	189,537,978	187,563,479
All other liabs.	2,904,183	2,666,947
Total liabs.	333,278,859	328,293,897
Assets		
Reserve: Gold	179,424,186	179,429,593
Silver bullion ...	1,876,722	1,868,961
Res. in sterling ..	1,478,538	137,514
Res. in U. S.	729,700	2,943,543
Total reserve	183,509,146	184,379,631
Subsidiary coin ...	215,209	193,059
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. short	50,253,693	46,070,531
Other Dom. govt.	93,254,092	92,016,283
Total invest.	143,507,785	138,086,814
Premises	272,235	268,653
All other assets	2,774,484	2,365,739
Total assets	333,278,859	328,293,897
Reserve ratio	57.32%	58.46%

American Bankers Choose Officers

T. K. Smith Heads U. S. Association — See Harmony Restored

T. K. Smith, president of the Boatmen's National Bank, St. Louis, was elected president of the American Bankers' Association at the recent convention. The other executive posts of first and second vice-presidents went to O. W. Adams and P. A. Benson.

Usually, election of a second vice-president is the major event on the convention programme—indeed the only event which directly concerns the executive of the association.

The "American Banker" observes that advancement of Mr. Adams and Mr. Benson practically marks the end of the group which has administered the association since the banking crisis. The newest recruit, Mr. Benson, is a mutual savings banker, president of the Dime Savings Bank of Brooklyn, and so far as can be seen "an independent in all respects." The election result is seen as marking the resumption within the ranks of the association of the harmony impaired when the independent banking membership last year refused to accept the candidacy of E. G. Bennett on the grounds that his election would be interpreted as an endorsement of branch banking promotion.

Rolph R. Corson Prizes Experience in Banking

New Chartered Trust President Applied Bank Training With Profit in Toilet Preparations

Rolph Reesor Corson, genial new president of the Chartered Trust & Executor Co., Toronto, started his business career in banking, so that, although he has devoted most of his working years to Rolph R. Corson Ltd., perfumes and toilet preparations, he is no newcomer to the financial scene.

It was directly from his 12 years banking experience that Mr. Corson became convinced that Sovereign Perfumes Ltd., which later became Rolph R. Corson Ltd., could be made into a profitable enterprise. In 1912, his first year as manager in toilet preparations, the business was made highly profitable. One consequence is that Mr. Corson believes banking is one of the best forms of business training for young men, and his one son, Rolph Jr., has just completed 3 years with the Bank of Nova Scotia as an introduction to the business world.

Comes From Markham

Like a number of other leaders in finance in Toronto, Mr. Corson was born in Markham, Ont., where his grandfather had founded the Markham Economist, which is still published by the Corsons. His father was influential in getting him his first job with the Standard Bank at Stouffville. That was in 1899, when Rolph Corson was 18.

He was later sent to Brantford, and after several years there joined the Sovereign Bank as manager at Unionville. In 1906, when the Metropolitan Bank, now part of the Bank of Nova Scotia, was opening a branch in Toronto's Parkdale, Rolph Corson was appointed manager.

The jump from banking to business came in 1910. J. W. Flavelle, now Sir Joseph, and a young man by the name of J. S. McLean, now president of Canada Packers Ltd., were starting a leather business. And Mr. Corson was offered, and he accepted, the management of the National Leather Co. He did not stay in the business very long. The reason was that he felt it was his duty as manager to learn the business and it involved too intimate contact with hides. The business was one of promise but this was more than offset by the odors.

Changed Business

Mr. Corson got pleasantly contrasting perfumes, but also a contrastingly low income, by abandoning hides and entering the toilet preparations business in 1911. Sovereign Perfumes Ltd. had its origin about 1900 and was owned by friends and relatives. It had been unprofitable. Mr. Corson thought the reason was that efficient costing was lacking. That idea originated from his bank training.

As a starter, Mr. Corson went from coast to coast in 1911 to acquaint himself with the sales prospects for perfumes, talcum powder and the like. After several months of travelling he got back to Toronto and went into costs of the company's various lines. He established to his own satisfaction that the firm was actually selling some lines below cost and that the more orders it got for such goods the more it lost on them. Consequently, the losing lines were eating up the earnings from the profitable ones.

This much done, Mr. Corson took the managership of Sovereign Perfumes Ltd. from Jan. 1, 1912. In addition to a share of any profits as manager, he became an investor in stock because some of the shareholders had little faith in the idea of cutting out some lines.

After one year's operation under the new management, a handsome profit was shown, due largely to elimination of unprofitable merchandise. Ever since, Mr. Corson has devoted himself to the building of the business. In 1922, the company's name was changed to the present title, Rolph R. Corson Ltd.

Views on Business

Different businesses are alike as to underlying principles, in Mr. Corson's opinion. Basically, most of the successful ones involve supplying efficiently a good article at a fair price.

As would be expected of a man with long experience in a highly advertised business like toilet preparations, Mr. Corson is inclined to favor magazines and newspapers to create markets for merchandise. He recognizes the value of other forms of advertising, in the belief that practically every successful business must publicize its wares or services by some adequate means.

In addition to being president of the Chartered Trust and of Rolph R. Corson Ltd., Mr. Corson is vice-president of Pond's Extract Co., International, Ltd., and is a director of Dominion Stores, Remington-Rand Ltd., Guelph Carpet & Worsted Spinning Mills, Corporate Investors Ltd., and of Boiler Insurance & Inspection Co. of Canada. Although not a bank director, Mr. Corson's intimate knowledge of sound banking and investment practices is enhanced by his experience in seeing, early in this century, some of the unfortunate results of financial abuses that have long been abandoned in this country.

Government Faith

Governments are similar to businesses too, Mr. Corson thinks; that is, no matter what the form of government, they cannot be operated successfully without good faith. When governments show bad faith, as some of them have, Mr. Corson's view is that some sort of show-down may be imminent. "Because," he says, "the people are probably just as sound as they ever were." Unfortunately, public affairs have been so twisted into a sort of cross-word puzzle that many people do not understand the basic problems of government in Canada — debts and deficits.

Like many other businessmen, Mr. Corson's view is that taxation in Canada is too high in some particular fields. He thinks, for instance, that revival in building trades will be sorely hampered by the present heavy taxation on improved real estate.

Lost Money

Uncashed Cheques Are Reported by Royal Bank

Continuing the list of uncashed certified cheques, drafts, etc., the following balances with the Royal Bank remain unclaimed:

The School District of Bru issued a certified cheque for $2 July 13, 1926. It was never cashed and the money is in the Royal Bank at Glenboro, Man.

Tomlinson and Fleming, Kenora, Ont., issued a cheque for $476.90 Feb. 5, 1915. The money is at the Kenora branch.

The Superior Liquor Co., Kenora, issued a cheque for $50 April 3, 1918. The money is at the Kenora branch.

New York Life Insurance Co. issued a cheque for $18.50 Nov. 16, 1910. This money is held at the branch of the bank at Morden, Man.

J. Bowman and Co., Port Arthur, issued a cheque for $24.72 Aug. 4, 1917. The money is held at Port Arthur branch.

"Win-the-War-Workers," Roblin, Man., issued a certified cheque or bought a money order for $125 May 20, 1918. The cheque or order was never cashed and the money is held at the Roblin branch.

The Pas Lumber Co. issued a cheque for $10 March 22, 1920. The money is at The Pas branch.

Central Life Assurance Co., Winnipeg, issued a cheque for $15, Dec. 21, 1921. The money is now at the Royal Bank branch at Wawanesa, Man.

T. Eaton Co., Winnipeg, issued 3 cheques —$11.44, Aug. 7, 1918; $12.79, Aug. 25, 1920; $11.06, Aug. 25, 1920—none of which have been cashed. The money is at the head office of the bank at Winnipeg.

The Prudential Life Insurance Co., Winnipeg, issued a cheque for $30.40, Sept. 3, 1920. The money is at the head office, Winnipeg.

The Crescent Milk Co., Winnipeg, issued 4 cheques, which have never been cashed —$14.34, April 2, 1920; $15.81, May 20, 1920; $10.56, Sept. 9, 1920; $13.92, Oct. 8, 1920. The money is at the head office at Winnipeg.

W. H. Montague, Winnipeg, issued a cheque for $300, Sept. 12, 1906. The cheque was never cashed and the money is held at the head office Winnipeg.

L. D. Fortuyn, Winnipeg, issued a certified cheque for $20, January 31, 1912. The money is at the head office of the bank at Winnipeg. Mr. Fortuyn was the head of the **Netherlands Transatlantic Mortgage Co.**, at Winnipeg.

J. J. McDairmid, Winnipeg, issued a cheque for $39.95, July 10, 1915. The money is at the head office Winnipeg.

Tees and Persse issued a cheque for $13.75 (date not given), which has never been cashed. The money is at the Winnipeg head office.

Kinalmeaky Farms, Headingly, Man., issued a cheque for $70, July 20, 1920. Another cheque for $155 was issued Nov. 14, 1930. The cheques have never been cashed and the money is at the Winnipeg head office.

Dingle and Stewart, Winnipeg, issued a cheque for $122.87 on March 17, 1921. The money is at the Winnipeg head office.

Imperial Insurance Office, Toronto, issued a cheque for $5.99 on Sept. 4, 1930. The money is at the King and Church Sts. branch.

Cement Block and Brick Co., of 105 Ritchie St., Toronto, issued a cheque for $50, Oct. 4, 1922. The money is at the Yonge and Bloor Sts. branch.

Consolidated Lamp Co., of 43 Queen St. West, and 198 Bolton Ave., Toronto, issued a cheque for $253.43 on Sept. 22, 1920. The money is at the Yonge and Richmond Sts. branch.

Saunders Bowling Academy, 9 Temperance St., Toronto, issued a cheque for $288.52 on March 25, 1924. The cheque was never cashed, and the money is at the Yonge and Richmond Sts. branch.

Solloway Mills Co., Toronto, issued a cheque for $138.29 on May 4, 1928. The money is at the Yonge and Richmond Sts. branch.

J. Tennant, Windsor, issued a cheque for $5.50 in favor of the **Army and Navy Veterans** on Sept. 5, 1930. The money is at the Windsor branch.

Kilgour, Buckingham and Foster, of Brandon, Man., issued a cheque for $19.65 on Feb. 4, 1914. The money is at the Brandon branch.

The Brandon Creamery and Supply Co., issued five cheques, none of which have been cashed—$10.84 on Sept. 18, 1918; $10.42 on Sept. 7, 1918; $11.01 on April 29, 1919; $10.29 on Aug. 6, 1919; $22.42 on Nov. 4, 1919. The money is at the Brandon branch.

L. H. Durfey, Dryden, Ont., issued a cheque for $10.85 in favor of the **T. Eaton Co.**, whether Winnipeg or Toronto is not clear, on Sept. 19, 1920. The money is at the Dryden branch.

Fort William Coal Dock Co., issued a cheque for $20, Feb. 17, 1922. The money is at the head office, Fort William.

The Metropolitan Life Insurance Co. is listed as payee in a cheque or money order transaction for $10. The instrument was drawn on Aug. 9, 1919 and the money is at the branch of the bank at Glenboro, Man.

Trade With Nigeria

Value of exports from Canada to Nigeria in 1935 totalled £41,014, an increase of about £10,352 or about 33% above that of 1934.

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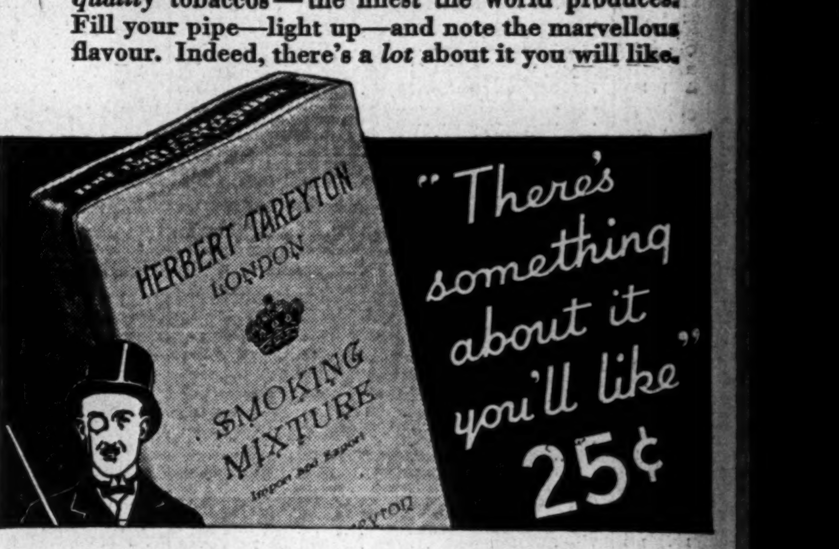

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The WESTERN SAVINGS and LOAN ASSOCIATION
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AGENCIES
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BUTLER BYERS BROS. LTD., Saskatoon, Sask.
McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
J. K. RINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

BANK STOCKS

The shares of the Canadian Chartered Banks rank as a high grade investment medium and at current quotations offer an attractive income return, combined with possibilities of appreciation in market value.

We have prepared a review of nine Canadian bank stocks, copies of which we shall be pleased to supply upon request.

PITFIELD & COMPANY
Head Office: 235 St. James St. Uptown Branch: Windsor Hotel
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Montreal Stock Exchange Montreal Curb Market
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G. HAROLD BURLAND
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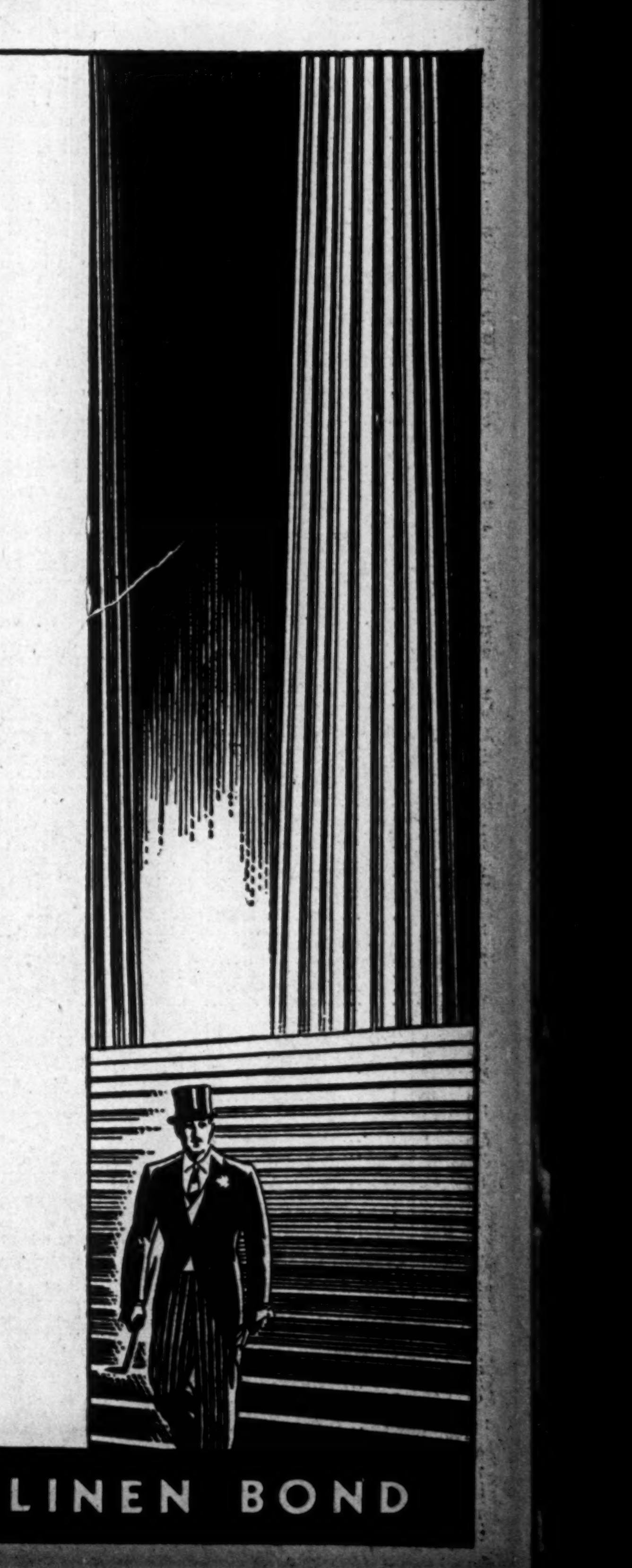


EARNSCLIFFE LINEN BOND

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded on stock exchanges, bid and asked prices are given as a guide to current levels. For unlisted stocks, in which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published elsewhere on this page. While The Financial Post endeavors to obtain the most accurate prices for unlisted stocks it cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 12

Range 1936 High	Low	Div R'te $	Oct 9 Y'ld %		Sales	Last Oct. 5	Week end. Oct. 12 H	L	Cl'se
				A					
4.65	1.25	.	...	Abitibi	102930	3.37	4.38	3.50	3.75
23½	6½	.	...	Do. pref. 6%	12111	19⅞	23½	19½	22
22⅞	6½	.	...	Do. cert. dep.	793	19½	22⅞	19½	21
4½	4½	.	...	Acadia Sugar	....	(4½ Apr. 24)			
21	14½	50c	2.5	Acme Glove	....	(17½ bid 20 asked)			
100	94	6.50	6.9	Do. pref.	5	95	94	94	94
10	7½	40+20c	7	Agnew Surp.	235	8⅞	9	8½	8½
107½	100	7	6.5	Do. pref.	....	(107 bid — asked)			
6	2	.	...	Alta. Pac. Gr.	100	3	4	3½	3½
39	19	.	...	Do. pref.	65	25	25	22½	22½
54½	54½	.	...	Aluminium	....	(54½ Sept. 24)			
3	2	.	...	Amal. Electric	....	(— bid — asked)			
23	14	.	...	Do. pref.	25	15	17½	17	17
40½	29⅞	15c	...	Amer. Cyn. B.	....	(— bid 36 asked)			
55	51⅞	3.50	6.6	Ang. C. Tel. pf.	....	(55 bid — asked)			
73½	17½	.	...	Asbestos v. t.	6280	66	73½	62	73
15	9½	60c	6.3	Assoc. Brew.	735	9⅞	10	9½	9⅞
110	103	7	6.4	Do. pref.	....	(110 bid — asked)			
8½	7½	.	...	Assoc. T. & T.	....	(7½ bid — asked)			
51½	34	.	...	Do. pref.	....	(52 bid — asked)			
106	104	7	6.7	Atlan. Sug. pf.	....	(104 bid — asked)			
				B					
58½	51½	2.25	3.8	Bank of Canada	59	58	58½	57	58
141½	133	8	5.7	Bk. Can. Nat.	28	139	139	139	139
214	182½	8	4	Bk. Montreal	379	200	202	198	202
300	271	12	4.2	Bk. N. Scotia	128	282½	284	283	284
235	220	10	4.4	Bk. Toronto	100	226	226	226	226
13½	6½	75c	...	Barcelona	....	(5 bid 7⅞ asked)			
17⅞	10½	.	...	Bathurst Pr.	12940	15	16½	14½	14½
6½	3	.	...	Do. (B)	625	4½	6½	4½	5
4½	1	.	...	Bawlf Grain	582	2½	3	2½	2½
38	20	.	...	Do. pref.	125	25	26	25	26
5	2½	.	...	Beath & Sons	....	(2½ bid 5 asked)			
15	9½	.	...	Beatty Bros. A.	440	11	12½	12	12
107	96	6	5.8	Do. pref.	....	(100 bid 104 asked)			
4½	1½	.	...	Beauharnois	2878	4	4½	3	3½
110	97½	4	4.1	Belding Cort.	....	(98 bid — asked)			
145	130	7	5.2	Do. pref.	....	(126½ bid 135 asked)			
153	140	6	3.9	Bell Telephone	890	150⅞	153	150½	152½
50	30	2.25	...	Biltmore Hats	10	49	50	50	50
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
5	3	.	...	Bissell, T. E.	15	3½	4	4	4
50	33	.	...	Do. pref.	....	(35 bid 40 asked)			
5	2⅞	.	...	Blue Ribbon	....	(3⅞ bid 4½ asked)			
34	27	2	5.9	Do. pref.	70	32	34	34	34
28	25½	32½c	..	Brant. Cord. pf.	5	26½	26½	26½	26½
17	9⅞	30c	...	Brazilian Tr.	90210	16⅞	16⅞	15½	15⅞
1.45	.75	.	...	Brew. & Distil.	5296	.80	.90	.75	.85
4½	1½	.	...	Brewing Corp.	6713	2½	2⅞	2	2½
18½	10⅞	1.50	12	Do. pref.	1730	12½	13	12	12½
9	5	30c	6	Bright, T. G.	....	(6 bid 8 asked)			
82	80	6	12	Do. pref.	....	(80 bid — asked)			
27⅞	16½	80c	3.4	Brit. Amer. Oil	17451	22⅞	23⅞	22½	23⅞
13	8	.	...	B. C. Packers	372	12⅞	13	12½	13
34⅞	28½	1.50	4.4	B. C. Power A.	1439	32	34⅞	32	34⅞
5½	3½	.	...	Do. (B)	810	4	5	4½	5
16	7½	10c	...	Bruck S. Mills	830	8⅞	10½	8⅞	10
50	33	1.40+25c	.	Building Prod.	655	48	50	47½	49
9⅞	6⅞	.	...	Burry Biscuit	400	9½	9½	9	9
75	51	3	4.3	Do. pref.	15	75	70	70	70
47⅞	37½	2	4.6	Burt, F. N.	435	43	43⅞	43	43
				C					
120	120	.	...	Calgary Power	....	(120 Sept 28)			
86½	75	6	7.4	Do. pref.	....	(— bid 75 asked)			
7½	4½	.	...	Canada Bread	895	7	7½	6⅞	6⅞
101	90	1.25+50c.		Do. pref. A.	10	100	101	101	101
46½	30	50c	...	Do. pref. B.	60	43½	46½	45	45½
10½	6½	40c	...	Canada Bud	360	8⅞	9	8½	8½
9½	6	.	...	Canada Cement	6876	9	9½	8⅞	9
88½	58	.	...	Do. pref.	857	88½	88	86½	86½
61½	57	1.50+1	4.2	Can. & D. Sug.	45	60	60½	60	60½
b20½	10⅞	.	...	Canada Dry	48200	19½	20½	18⅞	18⅞
11	3	.	...	Can. Forg. (A)	200	8½	11	8½	11
2	2	.	...	Do. (B)	....	(3 bid 8 asked)			
50	30	.	...	Canada Iron	....	(34 bid 50 asked)			
60	51	3	5.4	Do. pref.	....	(51 bid — asked)			
35	30½	1.50	4.3	Can. Malting	475	35	35	34½	35
29	22½	1.20	4.5	Can. Nor. Pr.	956	25⅞	26⅞	26	26
112½	107⅞	7	6.3	Do. pref.	31	110	110½	110	110
93	80	3	3.3	Can. Packers	35	90	90	90	90
118	105	.	...	Can. Paper, pf.	....	(110 bid — asked)			
2	1⅞	.	...	Can. Paving, pf.	....	(1⅞ bid 3⅞ asked)			
160	130	8	5.9	Can. Perman.	147	130	136	130	130
3.25	1.00	.	...	Can. Steamsh's.	355	2.00	2.00	2.00	2.00
15½	6½	.	...	Do. pref.	1045	7⅞	8⅞	7½	8½
27½	19⅞	1.20	5.8	Can. Vinegars	185	20⅞	21	20½	21
42	20½	.	...	Can. W. Cable	30	40	42	40	40
20½	9	.	...	Do. (B)	60	20	20	17½	17½
116	98½	3.25▲	..	Do. pref.	....	(— bid 117 asked)			
4	2	.	...	Can. Bakeries	....	(3 bid 3½ asked)			
57	40	.	...	Do. pref.	100	49½	55	51½	54½
170	148	8	5	Can. Bk. Com.	661	160	160	158	160
43	30	1	2.3	Can. Bronze	1271	40	43	40	43
116	101½	5	4.6	Do. pref.	5	108½	108½	108½	108½
5⅞	4	.	...	Can. Canners	2005	4⅞	5⅞	5	5⅞
104	88⅞	6	5.8	Do. 1st pfd.	59	103	104	103	104
8½	5	.	...	Do. 2nd pfd.	2607	8	8½	8	8½
11½	5½	.	...	Can. Car & Fdy	14705	10½	11½	10	10½
23	13	.	...	Do. pref.	8989	21⅞	23	21⅞	22⅞
31½	25½	40c	...	Can. Celanese	3587	28⅞	30	28⅞	29
130½	112	7	5.4	Do. pref.	109	130½	130	129	129
21½	18	.	...	Do. Rights	170	20⅞	21	20⅞	21
30	21½	2	9.1	Can. Convert.	50	22	23	23	23
55	48	4	8.3	Can. Cottons	1	52½	48	48	48
105	97	6	5.9	Do. pref.	20	101	101	101	101
50	37	2+1	6.4	Can. Dredge	440	47	47	46	46
100	98⅞	6	6	Can. Fairb. pf.	....	(100 bid — asked)			
34	23½	1.60	5.3	Can. For. Inv.	345	30	30	30	30
107½	105	8	7.4	Do. pref.	....	(107 bid — asked)			
180	150	5	2.7	Can. Gen. Elec.	....	(172 bid 200 asked)			
9½	7½	50c	...	Can. G. Inv.	50	8⅞	9½	9½	9½
53⅞	26	.	...	Can. Hyd. El. p.	2630	51½	53⅞	51½	51½
12½	6½	.	...	Can. Ind. Alc.	16816	6⅞	7⅞	6⅞	7½
11½	5	.	...	Do. (B)	1225	6	6½	6	6½
225	221	4.25	...	Can. Indust. B.	....	(221½ Sept. 21)			
4	1	.	...	Can. Int. I. Tr.	130	2	2½	2	2½
65	35	.	...	Do. pref.	....	(57 bid — asked)			
23	20	1	5	Can. Lt. & Pr.	....	(— bid 21 asked)			
4	1	.	...	Can. Locomo.	175	1½	4	3½	3⅞
b2⅞	1½	.	...	Can. Marconi	17900	1⅞	2½	1⅞	2
18	12	50c	3.6	Canadian Oil	230	12	14	12½	13⅞
142	123	8	5.7	Do. pref.	22	140	139½	139½	139½
15⅞	10⅞	.	...	Can. Pacific	48538	13½	14⅞	13	13⅞
1.25	.10	.	...	C. Pr. & Pa. In.	240	.35	1.25	1.25	1.25
7	4½	.	...	Do. pref.	....	(6½ bid — asked)			
6	1½	.	...	Can. Vickers	1518	5½	6	5½	5⅞
38½	12	.	...	Do. pref.	245	38	38½	37	37
26	24	1.25	...	C. Wallpaper, A	....	(24 bid 25 asked)			
26	24½	1.25	...	Do. B	95	24½	24½	24½	24½
3⅞	2	.	...	Can. Wineries	2495	2½	3½	2½	3
26½	21	1.50	...	Can. Wire Box	370	24⅞	25	24½	24⅞
102⅞	100	5	4.9	Carnation, pfd.	450	102½	102⅞	102½	102½
9½	2½	.	...	Catelli Food	387	9	9	8⅞	8⅞
15	11½	.	...	Do. pref.	375	12	12	12	12
165	150	8	5.3	Cent. Can. L'n	....	(148 bid 195 asked)			
1.60	.75	.	...	Chem. Research	6836	.76	.89	.76	.80
3½	1	.	...	City Gas & Elec	165	1	1	1	1
.60	.15	.	...	Claude Neon	675	.35	.35	.35	.35
15	12½	96c	...	Coast Brew.	506	14⅞	15	14⅞	15
9⅞	5½	.	...	Cockshutt Plow	11695	8½	9½	8½	9
1.35	.60	.	...	Comm. Alcohol.	835	.90	1.00	.85	.90
20½	15⅞	80c	4	Cons. Bakeries.	2813	20	20½	19½	20
8½	2	.	...	Cons. Paper	27581	7½	8½	7	7⅞
9	5	.	...	Cons. Press	....	(8⅞ bid 9½ asked)			
35	32	.	...	Cons. Sand, pf.	....	(32 bid — asked)			
60½	51	50c	...	Cons. Smelters.	7760	59½	60	59	60
205½	189	10	4.9	Consumers' Gas	170	204	204½	203	204½
90	78	7	8.5	Corr. P. Box, p.	....	(81 bid — asked)			
27½	17½	80c	3	Cosmos Imp.	367	27	27	26½	27
106	102	5	4.7	Do. pref.	....	(106 bid — asked)			
21½	15	80+20c	.	Crown Cork	50	18½	21½	21	21
2½	1⅞	.	...	Crown Dom. Oil	105	2	2½	2	2
56	30	7	...	Crow's N. Coal.	50	46½	49	47½	47½
				D					
4	2	.	...	David & Fre. A.	10	2½	2½	2⅞	2½
1.25	.50	.	...	Do. (B)	15	.50	.75	.75	.75
21	2	.	...	De Havilland	2862	10	21	9⅞	10
70	40	.	...	Do. (A)	247	63	70	63	70
4	4	.	...	Disher Steel	....	(— bid 3⅞ asked)			
11½	7½	.	...	Do. pref.	....	(11 bid 16 asked)			
34⅞	18½	.	...	Distill-Seagram.	12482	23½	23⅞	22	22⅞
222½	190	10	4.9	Dom. Bank	158	200	203	200	203
50	32	1.20	2.5	Dom. Bridge	2892	49	50	48½	49
20	14	1.50	7.6	Dom. Coal, pf.	9884	19	20	19	19
50	26½	.	...	Dom. Engineer.	416	47½	49	47	47
60	32	.	...	Dom. Foundries	5	60	60	60	60
115	106	5	4.6	Dom. Glass	100	109½	110	108	110
158	135	7	4.5	Do. pref.	106	150	154	153	154
36½	33	.	...	Dom. Oilcloth	....	(36 bid 37 asked)			
100	95	7	7.3	Dom. Rubber, p.	....	(99 bid 102 asked)			
8	3⅞	.	...	Dom. St. & C. B.	31575	6⅞	8	6⅞	7⅞
12	8	.	...	Dom. Stores	4500	11½	11½	10½	11½
11	4⅞	.	...	Dom. Tar & Ch.	5738	10½	11	9½	9⅞
100	57	.	...	Do. pref.	1015	97½	97½	95½	95½
79	60	5	6.9	Dom. Textile	894	71⅞	72	71	72
148⅞	143	7	4.7	Do. pref.	10	148	148⅞	148⅞	148⅞
12½	4⅞	.	...	Donnacona P.A.	10515	11	12½	10½	10⅞
12½	2⅞	.	...	Do. (B)	370	10⅞	12½	10⅞	11
12	4⅞	.	...	Dryden Paper	5505	10	12	9⅞	10
				E					
2½	1	.	...	East. Koot. Pr.	....	(— bid 2½ asked)			
16	5	.	...	Do. pref.	68	10	14	10	14
3½	1½	.	...	East. Dairies	125	1½	2	1⅞	2
16½	8½	.	...	Do. pref.	25	8½	10	10	10
18	10	1	...	East. Steel	315	16	17	16	16½
106	80	7	6.6	Do. pref.	....	(106 bid 108½ asked)			
85	72½	7	8.7	East. Theat., pf.	....	(— bid 85 asked)			
4½	1½	.	...	Easy Washing	975	4	4½	4	4½
30	20	1	...	Economic Inv.	....	(28½ bid 32 asked)			
28½	19⅞	.	...	Electrolux	225	21½	21½	21	21
3	1	.	...	Enam. & Heat.	....	(1½ bid 3 asked)			
6½	5½	.	...	Equitable Life	....	(6⅞ bid 7 asked)			
30	10½	.	...	Eng. Electric	200	30	30	30	30
16	4	.	...	Do. (B)	166	10	16	15	16
7	7	.	...	European El. A	....	(— bid 12 asked)			
.35	.35	.	...	Do. Warrants.	....	(.15 bid — asked			
				F					
25	18	.	...	Fam. Players	5	21	20	20	20
20	14	.	...	Do. Vot. Tr.	....	(18 bid — asked)			
20	13½	50+12½c.		Fanny Farmer	2612	19½	19⅞	18⅞	18⅞
28½	18⅞	75c	3	Ford Motors A.	12423	24½	25½	24	25
3.00	.65	.	...	For. Pr. Secs.	300	.80	1.00	.80	.90
23	13	.	...	Foundation Co.	1610	22⅞	23	22½	22½
25⅞	9	.	...	Fraser Cos.	3837	21½	25⅞	21	23½
23	8	.	...	Do. Vot. Tr.	26095	21½	25	21	23
60	55	6	10.5	Freiman, pf.	....	(— bid 46 asked)			
8	2⅞	.	...	Frost Steel	....	(— bid 5 asked)			
100	88	5.25	...	Do. pref.	....	(92 bid 94 asked)			
				G					
6½	3	.	...	Gen. St. Wares.	12470	5⅞	6½	5½	6½
72	45	.	...	Do. pref.	456	65½	72	66½	70
90	64⅞	2.50	3	Goodyear Tire	72	83½	84½	83½	84
56	53½	2.50	4.7	Do. pref.	136	56	55⅞	55½	55⅞
3	1	.	...	Gt. W. Saddlery	586	1½	2	1½	2
[illegible]	[illegible]	.	...	Do. pref.	60	19	25	22	23
8½	5	.	...	Gurd, Chas.	460	5½	6	5½	6
100	90	7	...	Do. pref.	....	(90 bid 95 asked)			
12	5½	.	...	Gypsum, Lime.	12135	11½	11⅞	11½	11⅞
				H					
8	4	.	...	Ham. Bridge	4726	6⅞	8	6⅞	7⅞
51	25½	.	...	Do. pref.	678	46	51	46	50
31	25½	2	6.4	Ham. Cot., pf.	10	31	31	31	31
2.00	.75	.	...	Ham. U. Theat.	5	1.15	2.00	2.00	2.00
60	50	4	6.7	Do. pref.	....	(59 bid 65 asked)			
6	2½	5c	...	Harding Carpet	2205	5	6	4½	5
9	1½	.	...	Hillcrest Coll.	....	(2½ bid 10 asked)			
20	7	.	...	Do. pref.	5	15	20	20	20
21	12	50c	...	Hinde & Dauch	8823	17	20½	17	20
7	4	.	...	Holt Renfrew	....	(6 bid — asked)			
40	30	.	...	Do. pref.	....	(37 bid — asked)			
.70	.40	.	...	Honey Dew	....	(.45 bid .90 asked)			
15	7	.	...	Do. pref.	125	14	15	15	15
16⅞	9½	.	...	H. Smith Pap.	19198	15⅞	16⅞	15	16½
119	88	3	...	Do. pref.	261	98	98	97⅞	98
35	29	2	6.2	Humberstone S.	35	31½	32	31½	32
17	4½	.	...	Hunts (A)	65	17	16½	13	13
18	6	.	...	Do. (B)	....	(14 bid 16½ asked)			
90	70	5	7	Huron & E. Mt.	84	71	71	70⅞	70⅞
12⅞	8½	.	...	Do. 20% pd.	3	9½	8⅞	8⅞	8⅞
10½	6½	.	...	Hydro Electric	....	(9½ bid — asked)			
				I					
221	197½	10	4.9	Imperial Bank	109	200½	205	201	205
24½	20½	50+75c	5.6	Imperial Oil	54473	21½	22½	21½	22½
14½	13½	52½c	3.7	Imperial Tob.	3647	14	14½	13⅞	14
7⅞	7	6%	...	Do. pref.	....	(7⅞ bid — asked)			
33	19	1	...	Inter. City Bak.	....	(— bid 50 asked)			
48	40	4.50	...	Inter'c Coal	....	(— bid 49½ asked)			
115	115	8	6.9	Do. pref.	....	(120 bid — asked)			
20	20	1c	...	Int. Coal & C.	....	(.10 bid — asked)			
b5⅞	2⅞	.	...	Int. Hyd. E. A.	33900	4⅞	5½	4½	4⅞
12½	4	.	...	Int. Metal Ind.	5978	9	12⅞	9	12½
83	30	.	...	Do. pref.	1121	70	83	67	83
105⅞	101	5	4.8	Inter. Mill., pf.	80	103	104	103⅞	104
63	43½	1.40	2.2	Inter. Nickel	24816	62½	63	61½	62
6	2½	.	...	Inter. Paints	8259	4	6	3⅞	6
29½	14⅞	1.12½▲	..	Do. pref.	15	17	18½	18½	18½
b15	3⅞	.	...	Int. Pa. & P. A.	79900	12½	15	12⅞	13½
b6⅞	2½	.	...	Do. (B)	38100	5⅞	6⅞	5½	6½
b3½	1⅞	.	...	Do. (C)	46400	3⅞	3⅞	3	3
b68	20½	.	...	Do. pref.	93035	65½	68	60	62½
39⅞	33	1.50+1	6.7	Inter. Pete.	14593	36½	37	35½	36⅞
6	3	.	...	Inter. Power	107	5	5	4½	5
95	57	6	6.3	Do. pref.	126	94½	95	94½	94½
15½	13	.	...	Int. St. Rly. A.	....	(— bid 13 asked)			
14½	3½	.	...	Int. Util. (A)	889	9	12½	10	11½
2.25	.40	.	...	Do. (B)	34255	1.15	1.95	1.15	1.50
				J					
37⅞	33	1.75	4.6	Jam. Pub. Ser.	3150	37½	37⅞	37½	37½
127	123½	7	5.5	Do. pref.	....	(130½ bid — asked)			
				K					
21½	6⅞	1.25	...	Kelvinator	695	20⅞	21	20⅞	21
107	102½	7	6.6	Do. pref.	6	106	106	106	106
				L					
38	16½	.	...	Lake of Woods.	1835	35⅞	35½	34½	34½
170	123	1.75	...	Do. pref.	10	170	170	170	170
58	54	5	9.1	Landed Bank	....	(55 bid 65 asked)			
4	3	.	...	Langley's	370	4	3½	3½	3½
56	35	.	...	Do. pref.	15	55	55	55	55
14½	14	.	...	Lang J. A. Co.	850	..	14½	14	14½
70	64⅞	3	4.3	Laura Secord	105	66	70	66	69
5⅞	2	.	...	Lindsay, C. W.	240	5	5⅞	5	5½
56	40	.	...	Do. pref.	....	(60 bid — asked)			
22	18⅞	1	4.5	Loblaw (A)	2388	21⅞	22	20½	22
20½	17½	1	4.9	Do. (B)	505	20	20½	20½	20⅞
				M					
2⅞	2⅞	.	...	MacKin. Steel	....	(3 bid — asked)			
19½	16½	.	...	MacLaren Pr. p	720	17	19½	17	19½
1.50	.50	.	...	M. L. Gardens.	25	.75	1.50	1.50	1.50
4	2½	.	...	Do. pref.	50	2½	2½	2½	2½
4	2⅞	.	...	Maple Leaf	4517	3⅞	4	3½	3½
10	2	.	...	Do. pref.	1524	8½	9½	8½	9½
*12⅞	12	60c	...	Maritime Tel.	....	(13⅞ bid — asked)			
15	15	70c	4.7	Do. pref.	....	(14⅞ bid — asked)			
18	18	.	...	Marcus Loew's	....	(— bid 20 asked)			
116	111	7	6	Do. pref.	....	(115 bid — asked)			
7½	3⅞	.	...	Massey-Harris	5783	5⅞	5½	5	5
40	28	.	...	Do. pref.	1480	30½	31	29½	30⅞
17⅞	12½	80c	5	McColl Fron.	13175	14½	16½	14½	15⅞
105	96½	6	5.8	Do. pref.	215	103½	103½	103	103½
13⅞	9	.	...	Melchers (A)	1345	9½	11½	9½	10⅞
5⅞	2⅞	.	...	Do. (B)	315	4	4⅞	3⅞	4
15	9	.	...	Mercury Mills p	20	10	15	15	15
42	30	1	2.5	Mitchell, J. S.	14	42	40	40	40
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
12½	5½	.	...	Mitchell, Robt.	1328	10½	12½	10½	12
5	3	.	...	Monarch, Knit.	....	(4 bid — asked)			
95	85	7	7.4	Do. pref.	100	85	95	95	95
37	26	.	...	Montreal Cot.	....	(36 bid — asked)			
100	85	7	7	Do. pref.	5	96	100	100	100
2½	1½	.	...	Mont. Is. Pr.	....	(2 bid 4 asked)			
36½	30	1.50	4.2	Mont. L. & Pr.	26479	34½	36½	34	35
27½	26	2	7.3	Montreal Loan	....	(27 bid 29 asked)			
9⅞	9	.	...	Mtl. Ref. & S.P.	20	9½	9⅞	9½	9⅞
2	1½	.	...	Do. Vot. Tr.	100	2	2	1½	1½
60	55½	3.20	5.5	Montreal Tele.	25	57	58	58	58
103	85	9	9.9	Montreal Trams	151	91	91	90	90
42½	27⅞	1	2.4	Moore Corp.	876	41½	42⅞	41⅞	42
180	146	7	4	Do. pref. (A)	....	(175 bid 178 asked)			
250	175	7	2.8	Do. pref. (B)	10	250	250	250	250
1.25	.25	.	...	Muirheads	30	1.00	1.25	.90	.90
3½	3	.	...	Do. pref.	....	(4½ bid — asked)			
				N					
45	37	2	4.9	Nat. Breweries.	4027	41½	41⅞	40½	41
45	39⅞	1.75	4.1	Do. pref.	80	42½	42½	42	42
7⅞	5	.	...	Nat. Grocers	1960	7	7½	6⅞	7
140	130	7	5.2	Do. pref.	58	135	138	135	138
20	16⅞	.	...	N. Sew. Pipe A.	275	19	20	19	20
25⅞	13	.	...	Nat. Steel Car.	4701	24⅞	25⅞	22⅞	23½
214	196	8	3.9	National Tr.	....	(201 bid 206 asked)			
38	29	40c	...	Niag. W. Weav.	1250	37	37	35	35
1.75	.90	.	...	North Star Oil.	....	1.60 bid 1.75 asked			
4.50	3.15	8¾c	..	Do. pref.	1675	3.87	4.50	4.00	4.00
84½	61	5	5.9	N. S. L. & Pr.	....	(88 bid — asked)			
102½	100⅞	6	5.9	Do. pref.	....	(101 bid — asked)			
				O					
240	199⅞	8	3.5	Ogilvie Flour	80	225	226	225	225
165	152	7	4.2	Do. pref.	10	165	165	160	160
119	100	6	5.8	Ontario Loan	48	102	103½	103	103
14½	7	.	...	Ont. Silknit	....	(— bid 13 asked)			
90	75	7	9.2	Do. pref.	5	76	76	76	76
12	8	.	...	Ont. Steel	200	9½	12	11	12
95	74	1.75	...	Do. pref.	....	(100 bid — asked)			
.40	.20	.	...	Orange Crush	....	(.25 bid .35 asked)			
26	6	.	...	Do. 1st pref.	5	20	18	18	18
1.35	.40	.	...	Do. 2nd pref.	....	(.75 bid .90 asked)			
101	100	6	5.9	Ott. L. H. & Pr.	105	100	101	100	100
103½	102	.	...	Do. pref.	58	102	103½	103	103
21	15	2	9.5	Ott. Traction	136	19½	21	20½	21
				P					
97	78½	3	3.1	Page Hersey	820	95	97	95	97
6⅞	3	.	...	Pantepec Oil	4355	5⅞	6½	5⅞	6
25	18	.	...	Paton Mfg.	....	(10 bid 20 asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
58	48	3	5.3	Penmans	76	57½	58	57	57
125½	118	6	4.8	Do. pref.	....	(125 bid — asked)			
27	21½	1	4.2	Photo Eng.	180	23½	24	23⅞	[illegible]
97	82	7	7.6	Porto Rico Pr. p	....	(94½ bid — asked)			
5⅞	4⅞	.	...	Potrero Sugar.	3200	5	5⅞	5⅞	[illegible]
18⅞	11⅞	.	...	Power Corp.	4419	18⅞	18⅞	17⅞	[illegible]
104	97½	6	5.8	Do. pref.	66	102	104	102	[illegible]
3	1½	.	...	Prairie C. Oil.	125	2½	3	2½	[illegible]
35½	19	1.25	...	Pressed Metals.	1226	35	35½	34½	[illegible]
15	2⅞	.	...	Price Bros.	9940	10	15	10	[illegible]
69½	22	.	...	Do. pref.	840	65	69½	65	[illegible]
				Q					
21½	14	1	4.8	Quebec Power.	597	21	21½	21	21
4	4	.	...	Que. Telephone	....	(4½ bid — asked)			
				R					
40	40	2	5	Real Estate L'n	....	(— bid 50 asked)			
7⅞	4½	.	...	Regent Knit.	3222	6	7⅞	6½	7½
18½	12½	.	...	Do. pref.	70	17½	18	17½	17½
10	4½	.	...	Reliance Grain	150	6	6	6	6
21½	19½	60c♦	...	Remington R'd.	....	(20½ July 21)			
31	28⅞	2	6.4	River. S. Mills.	80	30½	31	30⅞	31
8½	4	.	...	Rogers Majest.	3538	7⅞	8½	7⅞	8⅞
104	95½	6	5.8	Rolland P., pf.	10	102	102½	102½	102½
17	15	25c	...	Root Petroleum	60	15	15	15	15
184	164	8	4.3	Royal Bank	1090	179	184	180	183
46	30	.	...	Russell Motor	....	(45½ bid — asked)			
116	100	7+1▲	6.2	Do. pref.	50	112	112	112	112
				S					
101½	100	5.50	5.4	Saguenay Pr. p.	178	100⅞	101	100⅞	100⅞
11	6	.	...	Sarnia Br. (A)	130	8½	10½	8⅞	8⅞
3½	1½	.	...	Do. (B)	....	(3 bid 3½ asked)			
25	18⅞	60c	2.4	Shawinigan	9955	24	25	23	24⅞
23	16	.	...	Sher. Wms.	2805	20½	23	20	22
127½	115	7	5.6	Do. pref.	20	124	124	122	124
12	9	.	...	Simon & Son	230	9	9⅞	9½	9½
93	85	7▲	...	Do. pref.	....	(85 bid — asked)			
95	70	4	4.2	Simpson, Ltd.	205	93	94	92	94
15	10	.	...	Do. (A)	10	14½	15	12	15
15	4	.	...	Do. (B)	....	(— bid 12 asked)			
122	111½	6	4.9	Simpson, R., pf.	....	(121 bid — asked)			
14	11	80c	6.1	So. Can. Pr.	856	12½	13½	13	13½
103	98	6	5.8	Do. pref.	54	102½	103	102½	102½
4⅞	1½	.	...	St. Law. Corp.	13990	4½	4⅞	4	4
18½	8	.	...	Do. (A)	7381	17½	18½	16	16½
60	40	2+1	5	St. Law. Flour.	5	60	60	60	60
135	120	7	5.2	Do. pref.	10	130	135	135	135
50⅞	20½	.	...	St. Law. Pap. p.	2165	50½	50⅞	47	47
15	6⅞	.	...	Stand. Chem.	352	13½	15	13½	13⅞
8	2	.	...	Stand. Clay	10	2	8	8	8
4.50	1.15	.	...	St. Pav. & Mat.	2870	3.50	4.00	3.38	3.38
27	12	.	...	Do. pref.	89	22½	25	22	22
41	20	.	...	Stand. Steel, pf.	50	35	37½	37½	37½
70½	57	1.75‡	2.5	Steel of Can.	2711	69½	70½	69½	69⅞
61½	49½	1.75	2.8	Do. pref.	1720	61	61½	61	61⅞
4	3	.	...	Sterling Coal	....	(2 bid 3½ asked)			
2½	½	.	...	Stop & Shop	130	2	2½	2	2½
2⅞	2	.	...	Supersilk H.	....	(2⅞ bid 3½ asked)			
79	66	3.50	4.5	Do. pref.	....	(— bid 80 asked)			
41	30	1	2.6	Sup. Pete. ord.	190	38	38½	38	38½
43	32	1	2.3	Do. com.	....	(40 bid — asked)			
				T					
63	32⅞	.	...	Tamblyn	110	63	63	63	63
114	110	7	6.4	Do. pref.	....	(108½ bid 110½ asked)			
5	1	.	...	Thayers	50	1½	2½	2½	2½
37	18	.	...	Do. pref.	10	23	27	27	27
3	1	.	...	Thrift Stores	100	1	1	1	1
14	5	.	...	Do. pref.	....	(— bid 11⅞ asked)			
11	7½	25c	...	Tip Top Tailors	820	9	9	8½	9
106	102	7	6.6	Do. pref.	5	106	106	106	106
1	1	.	...	Tooke Bros.	....	(1½ bid 3 asked)			
22	10	.	...	Do. pref.	5	10	15	15	15
40	34	1	2.7	Tor. Elevators	130	34½	37½	36	37½
119	109	7	6	Do. pref.	50	115	117	117	117
95	75	4	5	Tor. Gen. Tr.	49	83	81½	79⅞	79⅞
122½	115	6	4.9	Toronto Mtge.	....	(125 bid — asked)			
158	150	7	4.4	Tuckett To. p.	60	157	157	157	157
16	8	.	...	Twin City	....	(14 bid — asked)			
				U					
14⅞	9	12½c	..	Union Gas	2030	12½	12⅞	12½	12⅞
25	15	30c	...	Un. Amuse. (A)	....	(25 July 10)			
15	15	30c	...	Do. (B)	....	(15 Mar. 27)			
.95	.50	.	...	United Distill.	....	(.65 bid — asked)			
38	20	.	...	United Fuel, pf.	1702	31	38	31	38
28½	20	2	7.7	United Secs.	7	26	26	26	26
6	2½	.	...	United Steel	13880	5½	6	5½	5½
				V					
3½	1	.	...	Viau Biscuit	200	1½	1½	1½	1½
65	18	.	...	Do. pref.	....	(60 bid 75 asked)			
				W					
31½	20	.	...	Wabasso Cot.	40	25	25	25	25
43½	26½	2	4.6	Walker-Good.	10767	42	42½	42	42⅞
19	17	1	[illegible]	Do. pref.	1062	19	19	18⅞	18⅞
3⅞	1⅞	.	...	Walkerville Br.	4770	2½	2⅞	2	2⅞
2.25	.95	.	...	Waterloo Mfg.	625	2.25	2.25	2.00	2.00
10½	4½	.	...	West. C. Flour.	446	9½	9½	9	9
65	36	.	...	Do. pref.	395	63	64	60	60
60	46½	2	3.3	West. Grocers	4	60	60	60	60
115	106	7	6.1	Do. pref.	40	114	115	115	115
19⅞	13½	80c	4.1	Weston Ltd.	6822	19½	19⅞	19⅞	19⅞
107½	98	5	4.7	Do. pref.	130	107	107½	107	107
1.15	.75	.	...	Windsor Hotel	....	(.75 bid — asked)			
7	4	.	...	Do. pref.	....	(5 bid 10 asked)			
4	1½	.	...	Winnipeg El. A.	1687	2⅞	4	2⅞	4
4	2½	.	...	Do. (B)	1447	2½	4	2⅞	3⅞
17½	17½	.	...	Do. pref.	25	..	17½	17½	17½
53	38	.	...	Wood, A. & J. p	....	(40 bid 50 asked)			
72	50	.	...	Woods Mfg. pf.	215	66	72	67	72
				Z					
4½	2⅞	.	...	Zimmerknit, c.	20	4	4	4	4
76½	60	3.50▲	..	Do. pref.	....	(70 bid 90 asked)			

* Quotations for 1935. No sales recorded in 1936 to date. ▲ On account of arrears. b New York quotations. ‡ Plus extra of $1.42½ paid Feb. 1, 1936. ♦ Plus stock bonus 1% paid Oct. 1.

Government Bonds

October 14, 1936

Dominion of Canada Bonds

	Rate	Due	Bid Oct. 14	Asked Oct. 14	Approx. Yield	Bid Oct. 7
†‡Dominion	5	1 Mar. 1937	101.25	102.00	...	101.25
‡Dominion	5½	1 Dec. 1937	104.65	105.20	.86	105.10
Dominion	2½	15 Oct. 1939	103.25	104.00	1.15	103.75
Dominion	4	15 Oct. 1939	107.00	107.75	1.30	107.50
Dominion	2	15 Nov. 1939	102.00	102.65	1.12	102.30
Dominion	1½	1 June 1940	100.25	101.00	1.21	100.65
Dominion	4½	1 Sept. 1940	109.00	109.75	1.82	109.50
Dominion	1	15 Mar. 1941	98.00	98.65	1.31	98.25
Dominion	5	15 Nov. 1941	112.75	113.50	2.19	112.25
Dominion	3	15 Oct. 1942	105.25	106.00	1.94	105.75
Dominion	2½	1 June 1943	102.50	103.25	1.97	102.75
Dominion	5	15 Oct. 1943	113.75	114.50	2.71	114.25
Dominion	4½	15 Oct. 1944	111.75	112.50	2.75	112.50
▪Dominion	2½	15 Aug. '43-45	100.00	100.65	2.40▲	100.35
Dominion	4	15 Oct. '43-45	108.75	109.50	2.51▲	109.00
Dominion	4½	1 Feb. 1946	111.75	112.50	2.95	112.50
Dominion	3½	15 Oct. '44-49	104.25	105.00	2.80▲	104.75
Dominion	4	15 Oct. '47-52	107.75	108.50	3.11▲	108.00
Dominion	3	1 June '50-55	99.75	100.25	2.96▲	99.75
Dominion	4½	1 Nov. '46-56	110.65	111.35	3.19▲	111.50
Dominion	4½	1 Nov. '47-57	110.65	111.25	3.26▲	111.50
Dominion	4½	1 Nov. '48-58	111.50	112.25	3.26▲	112.00
Dominion	4½	1 Nov. '49-59	111.70	112.35	3.36▲	112.00
Dominion	3¼	15 Jan. '56-61	102.15	102.85	3.05▲	102.25
▪Dominion	3¼	1 June '56-66	100.65	101.25	3.16▲	100.75
♦Dominion	3	Perp. bonds	95.75	96.35	3.11	95.75
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	98.75	99.75	3.01	99.00
Can. N. Ry.	3	1 May .944	103.00	104.00	2.42	104.00
Can. N. Ry.	3	15 Dec. '45-50	99.25	100.25	2.96▲	99.50
Can. N. Ry.	3	15 Feb. '48-53	99.00	100.00	3.00	99.00
*Can. N. Ry.	4½	1 Sept. 1951	113.25	114.25	3.29	114.00
*Can. N. Ry.	4½	1 Feb. 1956	113.75	114.75	3.45	114.25
†Can. N. Ry.	4½	1 July 1957	113.25	114.25	3.53	113.50
*Can. N. Ry.	4¾	15 June 1955	116.75	117.75	3.46	117.50
Can. N. Ry.	5	1 Feb. 1954	117.00	118.00	3.60	117.50
*Can. N. Ry.	5	1 July 1969	117.00	118.50	2.88▲	117.50
*Can. N. Ry.	5	1 Oct. 1969	118.50	120.00	3.39▲	119.50
*M. Harb. C.	5	1 Nov. 1969	119.00	120.50	3.39▲	120.00
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1954	103.25	104.50	3.65	104.50
†N. Bruns.	4½	15 Apr. 1961	109.00	111.00	3.82	111.75
†N. Bruns.	5	15 Jan. 1960	113.50	115.50	3.97	116.00
N. Scotia	3	2 Sept. 1945	99.00	101.00	2.87	102.00
N. Scotia	4½	15 May 1943	106.50	110.50	2.70	112.00
†N. Scotia	4½	15 Sept. '47-52	110.00	111.50	3.25▲	110.50
†N. Scotia	5	1 Mar. 1960	118.00	120.00	3.69	118.00
*Ontario	4	1 June 1962	107.00	108.50	3.38	107.00
*Ontario	4½	1 Sept. 1944	112.00	113.00	2.68	112.25
Ontario	4½	1 June 1950	111.50	112.50	3.36	111.00
*Ontario	4½	15 Jan. 1962	113.00	115.50	3.57	114.50
Ontario	5	15 Oct. 1948	114.50	115.50	3.41	114.00
*Ontario	5	2 Dec. 1960	117.00	119.00	3.80	121.00
Ontario	5½	1 July 1946	115.00	116.50	3.52	115.50
O. H. C.	3½-4-5	1 Oct. '36-52	100.25	101.25	.08▲	100.25
Ont. Hyd. C.	4¾	1 Jan. 1970	115.00	120.00	3.70	118.50
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar. 1952	107.00	109.00	3.28	108.00
Quebec	4¼	1 Aug. 1958	111.00	113.00	3.40	111.75
Quebec	4½	2 Jan. 1963	113.00	115.00	3.61	113.50
Western—						
Alberta	4	15 Dec. '49-54	57.00	62.00	§	55.00
†Alberta	4	1 Dec. 1957	57.00	62.00	§	55.00
Alberta	4½	1 Oct. 1951	70.00	73.00	§	70.00
†Alberta	4½	1 Oct. 1956	62.00	65.00	§	57.00
†Alberta	5	1 Jan. 1948	63.00	66.00	§	57.00
Alberta	5	1 Sept. 1955	62.00	64.00	§	57.00
*Alberta	5	1 Oct. 1959	62.00	65.00	§	57.00
†Alberta	5½	1 Jan. 1947	63.00	66.00	§	57.00
Alberta	6	1 Mar. 1947	63.00	68.00	§	57.00
†Brit. Col.	4	1 Dec. 1957	85.00	88.00	4.91	86.00
*Brit. Col.	4½	15 Jan. 1961	88.00	91.00	5.40	89.00
†Brit. Col.	4½	1 Oct. 1953	87.00	89.00	5.50	88.00
†Brit. Col.	5	15 Jan. 1948	93.00	95.00	5.59	92.00
Brit. Col.	5	1 Sept. 1953	91.00	93.00	5.64	91.00
Brit. Col.	5½	1 Feb. 1945	93.00	95.00	6.27	92.00
Brit. Col.	6	15 Feb. 1947	94.50	95.50	6.60	93.00
Manitoba	4	2 Jan. 1950	85.00	88.00	5.25	85.00
†Manitoba	4	1 Dec. 1957	85.00	88.00	4.91	85.00
†Manitoba	4½	15 Dec. 1956	92.00	94.00	4.97	94.00
†Manitoba	5	15 June 1954	95.00	96.00	5.17	97.00
*Manitoba	5	2 Dec. 1959	98.00	100.00	5.00	100.00
Manitoba	5½	1 Oct. 1955	95.00	97.00	5.76	97.00
Manitoba	6	1 Apr. 1947	95.00	97.00	6.39	97.50
Sask.	4	15 Aug. 1963	72.00	74.00	6.55	68.00
Sask.	4	1 Nov. '55-60	70.50	72.50	6.51	67.00
*Sask.	4½	2 July 1945	80.00	83.00	7.09	80.00
†Sask.	4½	1 Oct. 1951	79.00	81.00	6.50	77.00
†Sask.	4½	15 Mar. 1960	76.00	78.00	6.30	78.00
Sask.	5	1 Aug. 1958	78.00	81.00	6.36	78.00
†Sask.	5½	15 Nov. 1946	82.00	85.00	7.60	81.00
Sask.	5½	1 Oct. 1952	82.00	85.00	7.09	80.00
Sask.	6	15 Mar. 1952	85.00	87.00	7.44	83.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat.

Corporation Bonds

(Supplied by The Investment Dealers' Association of Canada)

October 13, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 13	Asked	Bid Oct. 6
Industrial and Realty Issues:					
*Ass. Tel. & Tel.	5½	'55	87	90	87
†Avalon 'Phone	5½	'48	101½	...	101½
Beauharnois P.	5	'73	47½	50½	48½
*Bell Telephone	5	'55	115	118	115
*Bell Telephone	5	'57	120½	123½	...
†B. C. Power	5	'60	105	108	105½
†B. C. Power	5½	'60	106	109	106½
†B. C. Telephone	4½	'61	105	108	105½
*Calgary Power	5	'60	91½	94½	92
†Can. Nor. Pwr.	5	'53	104	107	104
*Dom. Gas & E.	6½	'45	90	93	90
*Gatineau Pwr.	5	'56	100	103	101
*Gat. Power, A	6	'41	98½	101½	98½
*Gat. Power, B	6	'41	97½	100½	97½
*Inter. Hydro-E.	6	'44	67	70	71
*Inter. Power	6	'57	97	100	97
†Maclaren-Que. Power	5½	'61	88	91	88
†Maclaren-Que. Power	5½	'64	87	90	86
†Mtl. Island Pr.	5½	'57	105	108	105
†Mtl. L. H. & Pr.	3½	'56	102½	105½	103
†Mtl. Tramways	5	'41	102	105	102
†Mtl. Tramways	5	'55	86	89	86
Nfld. L. & P.	4½	'56	100	103	100
Nat. L. & Pwr.	6	'49	98	101	99½
†N. S. L. & Pr.	5	'58	105½	108½	105½
N. S. L. & Pr.	5	'65	102½	...	102½
Ottawa L.H.&P.	5	'57	105	108	106
†Ottawa Tract.	5½	'55	101½	104	101½
†Ottawa V. Pwr.	5½	'70	74½	77½	71½
†Power Corp.	4½	'59	96⅞	99⅞	99
*Quebec Power	5	'88	104	107	104½
Saguenay Pwr.	4½	'66	104	107	104
†Shaw. W. & Pr.	4	'61	98½	101½	99
†Shaw. W. & Pr.	4½	'70	103	106	104
†South. Can. Pr.	5	'55	105	108	105
†United Secs.	5½	'52	84½	87½	85½
*Winnipeg Elec.	4½	'60	104	107	104
*Winnipeg E., A	4	'65	76½	79½	76½
*Winnipeg E., B	4	'65	64½	67½	65
Industrial and Realty Issues:					
†Abitibi Pr. & P.	5	'53	67½	70½	68½
Acadia Sugar	4½	'55	101½	104½	101½
†Alta. Pac. Gr.	6	'46	95	98	94½
Asbestos Corp.	5	'42	108½	111½	108½
B. A. Oil	4	'45	104	107	103½
Canada Bread	6½	'41	109	112	109
†Canada Cement	4½	'61	101	104	101
†Can. Steamship	6	'41	56½	59½	58
Candn. Canners	4	'51	99½	102½	100
Can. Bakeries	6½	'45	94	...	93½
*Candn. Inter. P.	6	'49	95½	98½	96
C. P. R.	3½	'51	96	99	95½
C. P. R.	4	'49	102½	105½	101
C. P. R.	4½	'44	101½	104½	100½
C. P. R.	4	Perp.	95	97	94
†Candn. Vickers	6	'47	96	99	96
†Consol. Paper	5½	'41	60½	63½	61½
Dom. Sq. Corp.	6	'48	...	...	...
‡Dom. Stl. & C.	6½	'55	73½	76½	68½
†Dominion Tar	6	'49	98½	101½	98½
Dom. Textile	4½	'55	105½	...	105½
†Donnacona P.	5½	'48	80	83	81½
†Famous Players	4½	'51	98½	101½	99
†Federal Grain	6	'49	98½	101½	97½
†Fraser Co's.	6	'50	102	105	103
†Gen. Steel W.	6	'52	104	107	104
*Great Lakes P.	5	'55	78	81	77½
†Gypsum L. & A.	5½	'48	101½	104½	101½
†Gr. Br. & Can. Invest.	4½	'59	84½	87½	84½
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'50	101	104	101
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'53	95½	98½	96
†Inter. P. & P. Nfld.	4½	'68	102	105	102
Inter-City West. Bakeries	6½	'50	57½	61½	57
†Kingston Elev.	6	'50	91½	94½	90
†Lake St. John P. & P.	6½	'47	113	116	114
†Lake St. John P. & P.	6½	'42	85½	88½	86
†Lond. Can. Inv.	4½	'48	93½	96½	93
†Maple L. Mill.	5½	'49	77½	80½	77½
†Massey-Harris	5	'47	90	93	90
†McColl-Front.	6	'49	106	109	106
†Mercury Mills	5½	'53	74	77	73½
†Mersey Paper	6	'49	97½	100½	97
*Minn. & Ont. P.	6	'45	50½	53½	50
Mtl. Dry Docks	6	'48	84½	87½	87½
Nat. Grocers	4	'36-47	..	..	102
†N. A. Elevators	6	'50	97½	100½	97½
Nor. Ont. Bldg.	6½	'39	95	98	95
*Prov. Paper	5½	'47	102½	105½	102
Queen's Hotel	6	'47	96	99	96
*Reliance Grain	6	'48	102½	105½	102½
†Restigouche Co.	6	'48	108½	111½	108
Rich. Bay Bldg.	6½	'47	100½	103½	100½
†Rolland Paper	4½	'51	101	103	...
Ruddy & Co.	6½	'48	97½	100½	97
†Smith, Howard	5½	'53	104½	107½	107
*Spruce F. P&P	5½	'42	98	102	98
†Steel of Can.	6	'40	113	116	113
Sterling Coal	6	'40	87	...	87
Stop & Shop	6	'47	60	65	59
Twin City	5½	'52	89½	92½	89½
United Amuse.	5	'56	100	103	100
United Corp.	5	'53	96½	99½	96½
Unit. Grain Gr.	5	'48	96	99	96
Unit. Grain Gr.	5½	'49	98	101	98
Union Gas	4½	'43-50	99	102	99
Zimmerknit	6	'51	101	...	101

‡Payable in Canada or U.K. † Payable in Can., U. S., or U.K. *Payable in Can. or U. S.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

October 13, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	4.40	4.80
Do., pfd.	4.90	5.20
Acme Farmers Dairy, pfd.	44.00	...
Andian National	47.50	48.50
Assoc. Tel & Tel., pfd.	52.00	53.00
B. C. Pulp & Paper, pfd.	14.00	15.00
Burns & Co., A	8.00	10.00
Do., B	3.50	6.50
Canada & Dom. Sugar	59.50	61.00
Canada Starch, com.	12.00	...
Do., pfd.	92.00	...
Canada Tea, pfd.	33.00	...
Can. Tube, 1st pfd.	56.00	...
Can. Wire & Cable, pfd.	115.00	117.00
Can. Industries, A com.	228.00	...
Do., B com.	227.00	...
Do., pfd.	163.25	165.00
Can. Ingersoll Rand	121.00	130.00
Can. Westinghouse	68.00	...
Chase, A. W., pfd. bonus	26.00	...
Conduits Nat., new com.	2.30	3.00
Dom. Found. & Steel, com.	60.00	...
Do., pfd.	96.00	98.00
Dominion Rubber, pfd.	100.00	...
Dunlop Tire, pfd.	85.00	...
Eastern Dairies, pfd.	8.75	10.00
Federal Grain, com.	1.50	2.50
Do., pfd.	41.00	48.00
Goderich Elevator	8.25	9.00
Great Lakes Paper, pfd.	16.00	17.00
Greening Wire, pfd.	106.00	...
Guelph Carpet, pfd.	106.00	107.50
Do., com.	19.00	21.00
Hayes Steel Prod., com.	1.00	...
Highland Dairy, com.	2.75	3.75
Do., pfd.	81.00	87.00
Inter City Bak., com.	32.00	...
Inter. Met. Indust., A pfd.	75.00	80.00
McLaren Power & P., com.	18.00	...
New Meth. Laund., pfd. bon.	80.00	85.00
Provincial Paper, pfd.	106.00	108.00
Reliance Grain, pfd.	91.00	95.00
Rob. Cons. Cone	8.50	9.50
Ruddy, E. L., pfd.	37.00	40.00
Silverwood's Dairies, pfd.	54.00	...
Standard Fuel, com.	7.50	...
Do., pfd.	105.00	...
Supertest Pet., B pfd.	26.00	27.50
Toronto Carpet, pfd.	40.00	...
United Steel, A pfd.	10.00	12.00
Western Grain, pfd. bonus	...	14.00
Willards Chocolates, pfd.	20.00	26.00
Trust & Loan Stocks:		
Chartered Trust, X.D.	82.00	87.00
Commercial Finance, com.	2.25	...
Guelph Ontt. Inv., par $50	47.00	52.50
London & West. Trust	52.00	56.00
Premier Trust	98.00	103.00
Prudential Trust	3.25	...
Sterling Trust	30.00	35.00
Traders Fin. Inc. Rts.	10.00	...
Traders Fin., B pfd. bonus	85.00	...
Trusts & Guarantee	30.00	33.50
Waterloo Trusts	98.00	...
Insurance Stocks:		
British America	50.00	...
Canada Life	520.00	530.00
Canadian Fire	76.00	...
Canadian Ins. Shares	11.00	13.50
Confed. Life, 20% pd.	112.00	116.00
Cont. Life, 20% pd.	40.00	44.00
Crown Life	162.00	...
Dominion Fire	125.00	...
Dominion Life, 30% pd.	267.00	300.00
Dom. of Can. Gen.	124.00	130.00
Empire Life, 25% pd.	7.50	8.75
Excelsior Life, 30% pd.	69.00	72.00
Federal Fire, 25% pd.	40.00	...
Fidelity of Can.	47.00	...
Great West Life	382.00	392.00
Guar. of N.A. fully paid	310.00	...
Halifax Fire	23.50	24.75
Imperial Life	245.00	...
Manufacturers Life	250.00	260.00
Monarch Life, 10% pd.	20.50	23.00
National Life, 25% pd.	...	48.00
Sovereign Life, 25% pd.	17.00	20.00
Sun Life	510.00	525.00
Toronto General	4.50	3.75
Western Assurance, com.	45.00	47.00
Do., pfd.	41.00	45.00
Theatre Stocks:		
Allens Beach, pfd.	65.00	70.00
Do., Kingston, pfd.	60.00	...
Do., Parkdale, pfd.	75.00	...
Do., Toronto, pfd. bon. c.	31.00	...
Eastern Theatres, pfd.	79.00	85.00
Loew's Buffalo, pfd.	3.10	4.00
Do., London, pfd.	2.20	3.50
Do., Toronto, pfd.	115.00	...
Mansfield Theatre, pfd.	30.50	33.00
Paramount Kitchener, pfd.	47.00	...
Do., Oshawa, pfd.	90.00	96.00
United Amusement, A	19.00	...
Do., B	17.00	...
Investment Trust Shares:		
Can. Gen. Invest.	9.50	9.80
Can. Int. Inv. Trust Units	63.50	66.00
Can. Investors	7.35	7.90
Cons. Div. Std. Sec. Units	14.50	13.50
Corporate Investors	...	7.50
Debenture & Sec., pfd.	65.00	...
Dom. Scott. Invest. Units	39.00	43.00
Foreign Power Sec., pfd.	5.00	...
Invest. Foundation Units	58.00	61.00
Sec. Holding Corp. Units	24.50	26.00
United Corpns., A	26.50	27.50
Do., B	13.25	14.50
Power Issues:		
Calgary Power, pfd.	70.00	73.00
Can. West. Nat. Gas, pfd.	80.00	84.00
Do., com.	25.00	28.00
Inter. Util., $1.75 pfd.	10.00	11.00
Do., $7.00 pfd.	89.00	92.50
Montreal Island Pwr., pfd.	14.00	...
Nor. Ont. Power, pfd.	102.00	103.50
Nova Scotia L. & P., pfd.	104.00	106.50
Do., com.	89.00	...

Unlisted Mines

October 13, 1936

	Bid	Asked
Albany River	.62	.64
Algold	.42	.45
Ardeen	.17	.19
Area	.03¼	.04¼
Arrow Head	.35	.40
Algoma Summit	1.70	1.90
Athona	.29	.31
Bathurst (new)	.05	.06
Bailor	.03	.04
Bankfield (old)	.95	1.00
Bankfield (new)	1.40	1.50
Blue Star	.26	.28
Bousquet Gold	.09½	.10½
Brae Breest	.27	.30
Brengold	.17	.19
Big Master	.22	.25
Bilmac	.23	.26
Callinan Flin Flon	.09	.10
Canadian Pandora	.10	.11
Candalaca	.19	.22
Canusa (new)	.78	.81
Coin Lake	.26	.28
Columario (new)	.02	.02½
Cuniptau	.21½	.23½
Casey Contact	.03	.04
Continental Kirk.	.16½	.18
Casey Summit	.24	.26
Cres. Kirkland	.40	.42
Dona Pat	.24	.26
Darwin	.28	.31
Don Martic	.20	.22
Dunlop (new)	.10	.12
Dorval Siscoe	.44	.47
Doreva	.40	.42
Dupont Hodgson	..	.20
Elmos	.25	.28
Empress Cons.	.57	.59
Empire	.20	.23
Franklin	.02¾	.03¼
Falkenham	.35	.37
Frontier R. Lake	.16	.18
Galateas	.08½	.09½
Garnet	.10½	.11
Gateway Pat.	.16	.18
Gillies Lake	.34	.36
Gold Eagle	.84	.88
Goldside	.14	.16
Golden Gate	.41	.43
Gordon Lebel	.26	.28
Gilbee	.03½	.04½
Horseshoe	.06	.06
Hudson Patricia	.15½	.17½
Hugh Pam.	..	.30
Jellicoe	.19	.21
Johnson Nipigon	.04	.05
Kaw Crow	.19	.21
Kenricia	.50	.52
Kerr Addison	.15	.17
Kert McDonald	.24	.27
King Kirkland	.04½	.05½
Lamaque	6.50	7.00
Lafayette	.05	.06
Lapa Cadillac	.63	.65
Leitch Gold	.61	.63
Lake Rose	..	.52
McFarlane	.05	.06
Manitoba Basin (new)	..	.05
Margaret	.39	.42
Madsen Red L.	.95	1.00
Magnet Lake	.08½	.10
Martin McNeely	.10	.11
Matachewan Con.	.18	.20
McAndrew	.21	.24
McCarthy Webb	.49	.52
Mosher	.54	.57
Murmac	.09	.11
Martin Bird	.30	.32
Mooshla	.33	.36
Monarch Mines	..	.45
McVittie Kirk.	.05	.06
North Shores	.04	.05
Old Diamond	.21	.24
Oklend	.31	.34
O'Leary	.16	.18
Opemiska Cap.	.70	.80
Oriole	.05	.06
Oremond	..	.27
Ossian	.06	.07
Paulore	.32	.34
Porcupine Gold R.	.02½	.03½
Porcupine Lake	..	.35
Pascalis	.29	.32
Porquin	.18	.20
Red Crest	.70	.75
Richard Ramore	.94	.97
Richmac	.33	.35
Rosanor	.15	[illegible]

Winnipeg Stocks

(Transactions from Oct. 5 to Oct. 12)

	Sales	High for period	Low for period	Close Oct. 12
B'ver Lumber, c.	500	2.80	2.80	2.80
B. & M. Synd.	55	5.00	4.50	4.50
Cryderman	5,400	.09	.08	.09
Flintoba	13,000	.01	.01	.01
Flin Flon	4,700	.25	.22	.24
D. Envelope, pf.	20	93.00	93.00	93.00
Gold Lake	25,304	.21	.12	.20
Gurney Gold	5,300	.40	.36	.38
Gt. Falls M.&S.	14,100	.10	.09	.10
Kingfisher	2,000	.02	.02	.02
Island Lake	1,550	.04½	.03	.04½
Madsen Lake	200	1.06	1.06	1.06
Mandalay	6,250	.10	.10	.10
Optic Lake	40	1.05	1.00	1.05
Ore Grande	5,500	.22	.20	.21
Oxford M.	355	.65	.60	.60
Pine Lake	1,300	.10	.10	.10
Northern Trust	25	7.00	7.00	7.00
Rice Lake	1,700	.04	.03½	.04
Rice Lake Syn.	33	2.00	1.50	1.50
Reliance Gr'n, p.	50	90.00	90.00	90.00
Sachigo River	60	21.00	19.50	20.00
United Grain	1	12.00	12.00	12.00
Vanson Man.	11,100	.02½	.02	.02½
Wingold	4,300	.05	.05	.05
Wylie Dom.	1,200	.40	.37	.37
Wpg. River Tin	1,500	.01½	.01½	.01½
Wings Ltd.	600	1.50	1.25	1.25
West. Steel, pf.	10	7.00	7.00	7.00

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	..	11
Home Investment	20	..
Northern Mtge., part pd.	..	3½
North. Can. Mtge., pf.	4	..
Traders Bldg.	80	..

* Stocks more active on other exchanges not included.

Listed Bonds

Week Ended Oct. 12, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	50⅞	51½	50
Unlisted:						
Cons. Paper	5½	'61	62½	..	62½	30½

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	114.00	116.00	3.98
Hamilton	5	1950	111.50	113.50	3.75
Montreal	5	1945	103.25	105.25	4.29
Ottawa	4½	1946	110.00	112.00	3.93
†Quebec	5	1959	107.00	109.00	4.33
Saint John	5	1950	107.00	109.00	4.07
†Toronto	4½	1936	112.00	114.00	3.47
†Vancouver	5	1950	85.00	90.00	6.19
Winnipeg	5	1944	97.00	100.00	5.00

†Payable Can. and N.Y.

UNLISTED MINES—(Continued)

Rubec	.10	.11
Salmo Malartic	.18	.21
Sand River	..	.32
Schreiber	.17	.19
Skookum	.27	.30
Smelter Gold	.07	.09
South Keora	.11	.13
Spooner	.22	.24
Springer	.11	.13
Sturgeon R. Gold	.30	.33
South McKenzie	.36	.38
Tonawanda	.10	.12
Upper Can.	.23	.27
Wendigo	.20	.22
West-Side	.07½	.08½
W. Red Lake	.14	.18
White Horse	..	.16
Winoga	.39	.41
Young Davidson	.16	.18
Young Shannon	.17	.20

Mining Stock Quotations

WEEK ENDED OCT. 12, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close Oct. 5 (or last)	High for week	Low for week	Close Oct. 12
1	.13½	.04	Afton	29,250	.08½	.08½	.08	.08
No	1.07	.88	Aldermac	32,180	1.01	1.00	.88	.90
1	.10	.01½	Alexandria	22,000	.04	.04½	.04	.04
No	.12½	.03⅞	Algoma	39,200	.08½	.09	.08	.08
No	7.50	4.10	Anglo-Huronian	2,326	6.00	6.00	5.50	6.00
1	1.75	1.15	Argosy	8,300	1.40	1.40	1.30	1.38
1	1.20	.65	Arntfield	3,200	.96	.95	.86	.86
No	.12	.03	Arno	7,400	.05½	.07	.06	.06
1	.31	.06½	Ashley	5,205	.10	.09½	.08½	.09
1	.07½	.02⅞	Astoria Rouyn	24,800	.06½	.07	.05⅞	.06
1	.11⅞	.05½	Bagamac	19,900	.07⅞	.08	.07½	.07½
1	.10	.03⅞	Barry Hollinger	18,700	.05½	.06	.05½	.05½
1	.42	.14	Base Metals	14,166	.32½	.32	.27	.27
1	.69	.28	B. E. A. R.	......	(.06 Sept. 15)			
No	1.84	1.20	Beattie Gold	12,205	1.32	1.31	1.25	1.28
1	.59	.30	Beaufor	13,600	.50	.50	.45	.45
1	2.00	1.30	Bidgood Kirk.	20,823	1.45	1.46	1.30	1.35
1	.76	.49½	Big Missouri	11,365	.54	.51	.50	.50
1	.36½	.13	Bobjo	31,400	.29	.29	.25	.25
1	.48	.35	Bouscadillac G.M.	14,700	.38	.39	.37	.37
No	9.00	5.55	Bralorne	3,738	8.50	9.00	8.50	8.80
1	.40	.10	Brasil Gold	4,000	.12	.13	.10	.12
1	.14⅞	.02	Brett Trethewey	21,400	.11½	.12	.10	.10
50c.	.25½	.09	B.R.X. Gold	7,000	.13½	.14	.13½	.13½
1	.16	.08	Brownlee	8,000	.09	.10	.08⅞	.09
1	9.50	3.80	Buffalo Ankerite	6,107	9.10	9.50	9.00	9.25
No	.13	.02	Buffalo Can.	55,850	.04½	.04½	.04	.04½
5	37.00	27.50	Bulolo Gold	978	29.00	29.00	27.50	27.50
No	.18	.06	Bunker Hill	12,740	.14	.14	.13	.13
No	1.50	.95½	Can. Malartic	18,425	1.35	1.37	1.31	1.31
1	2.10	1.15	Cariboo Gold	2,300	1.89	1.90	1.76	1.76
1	.30	.02	Cartier Malartic	61,400	.23	.24½	.20½	.22
1	1.69	1.24	Castle Trethewey	8,800	1.31	1.37	1.31	1.32
1	.58	.11½	Cen. Manitoba	50,900	.28	.31½	.25	.26
1	4.90	2.41	Cen. Patricia	18,250	4.00	4.05	3.75	3.85
1	.59	.32	Cen. Porcupine	25,657	.40	.40	.32	.32
No	2.46	1.63	Chromium	19,803	1.94	1.93	1.70	1.75
No	.09⅞	.03½	Church M. & Mill	5,000	.04	.04½	.04	.04
No	.14	.03	Clericy	36,175	.06	.07⅞	.06	.07½
5	4.50	2.25	Coast Copper	100	3.00	3.00	3.00	3.00
1	.04	.01½	Cobalt Contact	7,500	.02½	.02½	.02	.02½
5	4.25	2.80	Coniagas	600	3.25	3.30	3.20	3.20
No	2.75	1.75	Coniaurum	3,615	1.90	1.85	1.75	1.75
1	2.30	1.10	Con. Chibougamau	11,500	1.66	1.68	1.55	1.60
25	60.50	51.00	Cons. Smelters	7,760	59.50	60.00	59.00	60.00
1	1.40	1.10	Darkwater	7,800	1.27	1.25	1.15	1.15
No	61.25	41.75	Dome Mines	2,650	56.00	56.00	52.50	53.00
1	.09½	.04	Dom. Explorers	1,600	.07	.07	.06½	.06½
1	.10½	.04	Duparquet	27,050	.05	.05½	.05	.05
1	1.17	.52	East Malartic	195,300	1.15	1.16	.98	1.02
1	1.47	.80	Eldorado	36,160	1.32	1.37	1.30	1.33
No	10.75	6.90	Falconbridge	6,126	10.25	10.25	10.00	10.00
1	.10	.03	Federal	19,000	.06	.06½	.05	.06½
No	2.24	.10	Francoeur Gold	65,645	1.20	1.25	1.00	1.05
1	.41	.22	Glenora	168,550	.32	.33	.22	.24
No	1.45	.75	God's Lake	25,324	.87	.90	.80	.80
1	.49	.14½	Goldale	24,000	.33	.33	.30	.31
50c.	.54	.16	Gold Belt	......	(.23 Sept. 30)			
1	.26½	.06	Goodfish	8,200	.09½	.10	.09	.09½
1	.24	.03	Graham Bosquet	22,650	.16	.17	.12½	.14½
1	.40	.17	Granada Gold	11,944	.29	.33	.28	.33
No	.15	.05⅞	Grandora	1,000	.08	.08	.08	.08
1	.93	.21	Greene Stabell	140,200	.57	.58	.43	.48
1	.09	.04	Grozelle	......	(.04½ bid .06½ asked)			
1	.16	.08	Grull Wihksne	100	.14½	.13½	.12½	.12⅞
1	1.20	.75	Gunnar Gold	56,300	1.05	1.13	.98	1.00
1	.10½	.02	Halcrow Swayze	10,000	.04	.04½	.04	.04
1	3.63	.30	Hard Rock	25,075	2.70	2.70	2.45	2.50
1	.26	.07	Harker	45,100	.17	.17	.15	.16
5	17.25	13.25	Hollinger	9,325	13.50	13.87	13.25	13.25
1	1.00	.55	Howey Gold	26,950	.72	.74	.68	.70
No	30.37	22.87	Hudson Bay	6,670	29.75	30.00	28.50	29.75
1	14.25	10.75	Inter. Mining	10	11.50	11.00	11.00	11.00
1	4.50	2.75	Do., Pur. Warr.	10	3.20	2.75	2.75	2.75
No	63.00	43.50	Int. Nickel	24,816	62.50	63.00	61.50	62.00
1	.80½	.28½	J. M. Cons. Gold	55,063	.53	.58	.46	.48
1	.75	.40	Kerr Lake	70	.64	.63	.63	.63
1	1.75	.30	Kirk. Hud. Bay	3,600	1.10	1.10	1.00	1.10
1	.94	.40	Kirkland Lake	20,395	.54	.56	.53	.53
1	.12	.03½	Kirk. Premier	......	(.08½ Aug. 11)			
1	.31	.14½	Kirk. Townsite	1,600	.20	.19	.18	.19
1	.88	.55	Laguna	18,950	.80	.84	.80	.80
No	.21	.03	Lake Maron	294,350	.10½	.13	.10	.10½
1	60.00	51.75	Lake Shore	6,011	55.75	56.00	54.75	55.62
1	.47	.05	Lamaque Contact	201,350	.18	.24	.18	.19
1	1.38	.70	Lava Cap	13,200	.90	.95	.83	.92
1	.29½	.12	Lebel Oro	198,346	.26	.28	.22	.23
1	.15	.02½	Lee Gold	39,300	.06	.06½	.05½	.06
No	7.75	5.70	Little Long Lac	8,105	6.20	6.30	5.95	6.30
1	4.95	3.12	Macassa	24,730	4.25	4.60	4.30	4.45
1	.07	.01⅞	Malrobic	30,000	.04	.04½	.03½	.03½
No	.42	.12	Mandy	4,100	.26½	.26½	.25	.26
No	.30	.05½	Man. & Eastern	37,900	.15½	.16½	.14½	.14½
1	.80	.05½	Maple Leaf	10,750	.23	.23½	.22	.22
1	.60	.35	May Spiers	43,550	.52	.53	.44	.46
5	49.25	38.00	McIntyre	4,533	39.00	39.25	38.00	38.87
1	2.24	1.22	McKenzie R.L.	27,500	1.68	1.70	1.55	1.59
1	.65	.45	McKinley	......	(.63 bid 1.00 asked)			
No	5.05	3.40	McLeod Cockshutt	35,750	4.20	4.60	4.15	4.20
1	.15	.02	McMillan	29,500	.05½	.06½	.05½	.06
No	1.78	1.16	McWatters	43,150	1.20	1.37	1.10	1.25
1	.42	.19	McVittie	5,250	.20	.20½	.20	.20
5	2.50	.50	Mentor Exp. & Div.	......	(1.50 bid .... asked)			
No	2.75	1.10	Mining Corp	18,558	2.54	2.50	2.25	2.30
No	1.00	.07½	Minto Mines	2,000	.33	.31	.29	.29
1	.16½	.06	Moffatt Hall	23,700	.09	.10	.06½	.07
1	.80	.51	Morris Kirk.	6,460	.70	.70	.65	.65
1	1.15	.06⅞	Moneta	601,600	.94	1.15	.80	1.13
1	2.05	.95	Montague	2,800	1.00	1.05	1.00	1.00
1	.09	.00½	Murphy	46,600	.05½	.06	.05	.05
No	.06	.02	Newbec	9,000	.03⅞	.04	.03½	.04
1	1.40	1.00	New Golden Rose	2,550	1.25	1.22	1.10	1.10
1	.06½	.01½	Night Hawk Penn.	20,550	.03½	.03½	.03½	.03½
5	3.05	2.30	Nipissing	2,650	2.50	2.55	2.44	2.45
No	66.25	44.50	Noranda	8,582	65.00	65.50	64.00	64.63
No	.63	.28½	Nor. Canada	5,009	.53	.51	.45	.45
1	.18	.09½	Norgold	12,700	.14	.14	.09½	.10
1	7.00	.34	O'Brien	85,240	6.25	6.75	6.00	6.35
1	.85	.40	Omega	25,187	.61	.61	.57½	.57½
1	.18	.07	Osisko	1,000	.13	.13	.13	.13
No	5.20	3.20	Pamour	17,737	3.35	3.50	3.20	3.21
1	.48	.18	Parkhill	37,950	.28	.30	.25	.25
1	.11	.02½	Pawnee Kirk.	7,300	.03½	.04	.03½	.03½
1	1.20	.50½	Paymaster	50,240	1.07	1.08	1.00	1.02
1	1.20	.65	Pend Oreille	3,725	.80	.83	.78	.83
1	1.95	1.12	Perron Gold	16,475	1.71	1.75	1.55	1.55
1	.04½	.02	Peterson Cobalt	10,000	.02½	.02½	.02½	.02½
1	7.60	3.95	Pickle Crow	36,197	6.50	6.60	6.00	6.25
1	12.00	7.25	Pioneer Gold B.C.	8,695	7.85	7.95	7.50	7.55
1	.15	.04	Porcupine Crown	31,600	.12	.12½	.10	.10
...	1.10	.95	Powell Rouyn	6,800	1.07	1.08	.95	.96
1	3.56	1.80	Premier Gold	7,025	3.18	3.24	3.10	3.10
1	2.25	.21	Preston E. Dome	15,230	1.40	1.43	1.30	1.35
No	3.25	1.76	Prospectors Air's.	100	1.75	1.76	1.76	1.76
1	1.40	.64½	Quebec Gold	5,400	.75	.70	.65	.65
No	.10	.02	Quemont	......	(.07 bid .... asked)			
1	4.35	1.43	Read Authier	20,503	3.70	3.75	3.35	3.60
1	2.55	.50	Red Lake	131,295	2.02	2.05	1.59	1.80
1	1.46	1.00	Reno Gold	9,700	1.37	1.39	1.35	1.36
1	.13½	.01	Ritchie	32,500	.06½	.07	.05½	.05½
1	.09	.04	Robb Montbray	17,445	.06	.06½	.05½	.05½
1	.76	.05½	Roche Long Lac	563,117	.32	.35	.24	.29
1	3.45	1.60	San Antonio	50,386	1.70	1.95	1.80	1.83
1	1.16	.75	Shawkey	55,493	.89	.90	.84	.84
50c.	.97	.56	Sheep Creek	2,500	.92	.97	.91	.95
1	1.90	1.00	Sherritt Gordon	21,038	1.71	1.73	1.61	1.61
1	5.10	2.87	Siscoe	19,160	4.40	4.45	4.35	4.35
1	1.30	.42½	Sladen Malartic	90,108	1.10	1.19	1.09	1.15
1	6.25	4.40	South Amer. Gold	......	(5.05 Sept. 24)			
No	.08½	.03½	South Tiblemont	188,100	.04½	.05½	.04½	.04½
No	.75	.18½	Stadacona	83,305	.64	.66	.60	.61
1	.38½	.15	St. Anthony	22,700	.21½	.22	.17	.17½
No	5.60	3.00	Sudbury Basin	9,325	5.40	5.60	5.20	5.30
1	.34	.06	Sudbury Contact	60,800	.28	.28	.21½	.24
1	.07½	.03	Sudbury Mines	24,500	.03½	.03½	.03	.03
1	2.50	.83	Sullivan Cons.	53,877	1.95	1.95	1.73	1.87
1	3.55	2.25	Sylvanite	23,605	3.10	3.11	2.90	2.95
1	.68	.27	Tashota	17,003	.28	.29	.27	.28
1	6.70	4.30	Teck Hughes	15,400	5.85	5.90	5.65	5.70
1	1.50	.37½	Thomp. Cadillac	70,750	.97½	1.05	.90	1.00
1	.27	.02	Timiskaming	23,200	.19	.20	.18½	.18½
1	4.45	1.20	Toburn Gold	6,123	3.70	3.70	3.35	3.40
1	1.17	.20	Towagmac	10,312	.81½	.84	.80	.82
1	.40	.20	Treadwell	......	(.35 bid ... asked)			
No	2.52	1.60	Ventures	30,995	2.39	2.42	2.28	2.41
No	1.85	1.00	Waite Amulet	5,532	1.74	1.73	1.60	1.61
50c	.21	.09	Wayside	27,100	.10½	.10½	.09½	.10
No	.06	.03	White Eagle	20,200	.03½	.04	.03½	.04
1	.10	.03	Wiltsey Coughlan	7,530	.06½	.06½	.06	.06
1	.09	.04	Wood Kirkland	3,100	.07½	.08	.07½	.08
No	9.00	7.50	Wright-Hargreaves	18,413	7.75	7.80	7.50	7.80
No	.71	.38	Ymir Girl	40,300	.45	.46	.43	.44
			OIL STOCKS					
No	.18	.09½	Acme Gas & Oil	21,434	.10	.12	.10	.11
1	.70	.40	Ajax	8,050	.40	.52	.40	.52
No	1.60	.70	Calgary & Ed.	5,475	1.36	1.50	1.37	1.40
1	.18	.05	Calmont	7,150	.15	.17	.15	.15½
No	.10½	.04½	Common Pete	2,800	.05½	.07	.06½	.07
No	.78	.36	Dalhousie	12,975	.57	.69	.54	.62
No	.13½	.06	Eastcrest	4,015	.07	.09	.08	.08½
No	.70½	.30	Foothills	900	.30	.35	.35	.35
No	.31	.10	High Sarcee	2,000	.12	.12	.10	.10
No	1.46	.70	Home	54,781	.90	1.16	.90	1.08
1	.81	.11	Homestead O.&G.	31,400	.37	.38	.31	.31
No	.17	.07	Lowery	850	.09	.12	.09	.12
No	.24	.10	Merland	2,100	.12	.12	.12	.12
5	.26	.10	Nordon	12,200	.11½	.15	.10	.15
No	.07	.03	Oil Selections	38,800	.04½	.06	.04½	.05
No	.15	.06	Olga Gas & Oil	66,800	.06	.08½	.06	.07½
1	.80	.52	Petrol Oil & Gas	180	.75	.80	.70	.80
No	39.50	26.00	Royalite	8,692	27.00	31.00	26.75	30.25
No	.25	.04	South West Pete	......	(.15 bid .25 asked)			
No	2.50	1.45	Texas Can.	36,650	1.78	2.05	1.78	1.95

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1936 High	Low	Company	Sales	Close Oct. 5 (or last)	High for week	Low for week	Close Oct. 12
1	.09	.01½	Alexandria Gold	......	(... bid .05 asked)			
25c	.01	.00½	Bayview	......	(... bid .00½ asked)			
20c	.05	.01½	Beaver Silver	5,000	.02	.02	.02	.02
1	.76	.50	Big Missouri	8,100	.50½	.52	.50	.52
25c	.01½	.01	Bluebird	......	(.01 May 12)			
No	9.00	5.60	Bralorne	4,026	8.60	9.00	8.60	8.80
1	.10	.03	Bridge River Cons.	700	.05½	.05	.05	.05
50c	.25½	.08½	B.R.X. Gold	1,400	.12½	.14	.13	.13½
50c	.18	.09	B.R. Mountain Gold	960	.10	.10	.10	.10
1	.54	.17½	B.C. Nickel	23,200	.41	.41½	.39½	.40
1	2.95	1.50	B.C. Silver	400	2.65	2.65	2.60	2.60
50c	.12½	.04	Canadian Rand	......	(.04 bid .06 asked)			
1	2.05	1.15	Cariboo Gold	5,700	1.88	1.92	1.80	1.80
1	.30	.07½	Congress Gold	20,650	.09	.09	.07½	.07½
25c	.00½	.00½	Cork Province	......	(... bid .00½ asked)			
1	.04	.02	Cotton Belt	......	(.02 June 24)			
1	.03½	.01	Dalhousie Mines	......	(.01 bid .02 asked)			
No	.36	.13½	Dentonia	3,500	.14	.14	.13½	.13½
No	.08½	.01½	Dictator	6,000	.03	.02½	.02½	.02½
1	.07	.02	Dunwell	3,000	.03½	.03½	.03½	.03½
No	.09½	.03	Fairview Amal.	14,066	.08½	.08½	.07½	.08½
50c	.80	.35	Fawn Mining	6,000	.70	.70	.69	.70
1	.18½	.03½	Federal Gold	19,567	.04½	.04½	.04	.04
1	.25	.15	George Copper	1,000	.15	.20	.20	.20
50c	.05½	.02½	George Enterprise	......	(.02½ bid .04 asked)			
1	.02½	.01	Georgia River	1,000	.01½	.01½	.01½	.01½
50c	.02½	.01	Glacier Creek	......	(.01 bid ... asked)			
1	.24	.09	Golconda	1,000	.10	.12½	.10	.12½
50c	.54	.16	Gold Belt	3,300	.19	.18	.16	.16
50c	.18	.05	Gold Mountain	31,400	.14	.14½	.13	.13½
50c	.04½	.02	Grandview	600	.02½	.02½	.02½	.02½
No	.07⅞	.01½	Grange Mines	9,500	.02	.02	.02	.02
1	.15½	.07	Grull Wihksne	5,500	.13½	.13½	.13	.13½
No	.05½	.01½	Haida Gold	......	(... bid .01½ asked)			
50c	.32	.15	Hedley Amal.	37,900	.19½	.20½	.18½	.20
No	.05	.03	Hedley Sterling	......	(... bid .03 asked)			
No	.08	.02	Home Gold	10,200	.03½	.03½	.03	.03½
1	.02	.00½	Independence	......	(.00½ bid ... asked)			
1	.03	.01½	Indian Mines	......	(.01½ bid .02 asked)			
50c	1.85	.95	Island Mountain	1,200	1.25	1.30	1.25	1.26
1	.21	.18	Inter'tl Coal	......	(.20 bid .21 asked)			
50c	.10½	.05½	Inter'tl Gold	11,000	.09	.09½	.09	.09
50c	.93	.30	Kootenay Belle	3,950	.92	.93	.89	.90
20c	.00⅞	.00½	Koot. Florence	12,000	.00½	.00⅝	.00½	.00⅝
25c	.00½	.00½	Kootenay King	......	(.00½ Aug. 25)			
25c	.00½	.00⅜	Lakeview	......	(.00⅞ May 14)			
10c	.02½	.01	Lucky Jim	500	.01½	.02½	.02½	.02½
No	.14½	.02½	Mak Siccar	2,500	.02½	.02½	.02½	.02½
50c	.00½	.00½	Marmot Metals	10,500	.00½	.00½	.00½	.00½
1	.20	.12	McGillivray Creek	......	(.18 bid ... asked)			
50c	.14½	.03	Meridian Min.	1,320	.03	.03½	.03½	.03½
No	.94	.07	Minto Mines	33,800	.31	.31	.28	.30
No	.05	.01½	Morning Star	18,500	.02½	.03	.02½	.02½
1	.01	.00½	Morton Woolsey	5,000	.00½	.00½	.00½	.00½
25c	.03½	.02	National Silver	1,300	.02½	.02½	.02½	.02½
50c	.22½	.07½	Nicola	23,100	.15½	.15	.14	.14
50c	.05½	.02	Noble Five	3,000	.02½	.02½	.02½	.02½
1	1.20	.65	Pend Oreille	4,600	.85	.85	.80	.80
No	.09	.02	Pilot Gold	5,900	.05	.05	.04½	.04½
1	11.85	7.35	Pioneer Gold	3,405	7.80	8.00	7.55	7.55
50c	.07	.04	Porter Idaho	......	(.04 bid .04½ asked)			
No	.01⅞	.00½	Premier Border	1,000	.01½	.01	.01	.01
1	3.52	1.80	Premier Gold	9,300	3.20	3.25	3.12	3.14
1	.02	.01	Quatsino Copper	......	(.01½ bid .02 asked)			
25c	.13½	.05	Quesnelle Quartz	10,250	.09½	.11	.10	.11
50c	.05	.04	Red Hawk	......	(.04 June 19)			
.01	.09½	.03½	Reliance	37,500	.04½	.04½	.03½	.03½
1	.50	.28	Relief Arlington	9,800	.41	.41	.38	.38
No	.12	.05	Reeves McDonald	......	(.05 bid .06½ asked)			
1	1.50	1.00	Reno Gold	5,050	1.35	1.39	1.34	1.34
1	.15	.02	Reward Mining	38,000	.06½	.06	.04½	.05
1	.02	.00½	Rufus Argenta	......	(.01 bid .01½ asked)			
1	.03	.01	Ruth Hope	......	(.01½ July 15)			
1	.15	.07	Sally Mines	3,000*	.09½	.09½	.09	.09
50c	.13½	.08	Salmon Gold	13,300	.10½	.10½	.09	.09
50c	.97	.55	Sheep Creek	11,800	.91	.97	.91	.95
1	.02½	.02	Silverado	......	(.02½ bid .03 asked)			
25c	.08	.06	Silvercrest	......	(.06 Sept. 5)			
20c	.02½	.01	Silversmith	......	(.01½ Sept. 26)			
50c	.00½	.00⅜	Snowflake	......	(.00½ Aug. 26)			
1	.54	.37	Standard Silver	......	(.39 bid .42 asked)			
1	.15	.10	Sunloch	400	.15	.15	.15	.15
10	24.25	16.50	Sunshine	......	(15.00 bid ... asked)			
No	.24	.07½	Taylor Bridge	4,100	.10	.10	.09	.09
1	.21	.07	Taylor Windfall	......	(... bid .13 asked)			
50c	.04½	.01½	United Empire	6,500	.03	.02½	.02½	.02½
No	1.88	.65	Vidette Gold	6,000	1.52	1.55	1.40	1.40
No	.08½	.00½	Viking Gold	13,000	.01½	.02	.01½	.02
No	.06½	.01	Waterloo Gold	11,000	.02	.01½	.01½	.01½
50c	.01½	.00½	Waverley Tangier	3,000	.00½	.00½	.00½	.00½
50c	.20½	.09½	Wayside	6,980	.10½	.10½	.10	.10½
20c	.01½	.01	Wellington	......	(.00½ bid .01 asked)			
50c	.28	.19	Wesko	11,600	.26½	.27	.25½	.26
1	.06½	.02½	Whitewater	......	(... bid .04 asked)			
No	.69	.40	Ymir Yankee Girl	......	(... bid .45 asked)			
			OIL STOCKS					
1	.21	.09	Alta. Pac. Cons.	2,950	.10	.12½	.11	.12½
1	.15	.04	Amalgamated	16,900	.12½	.13½	.12½	.13
1	.09	.02½	Anaconda	18,000	.04½	.05½	.04½	.04½
No	.05	.02	Baltac	800	.03½	.03½	.03½	.03½
1	.43	.09½	Brit. Dominion	4,700	.18	.20	.18	.20
No	1.60	.70	Calgary & Ed.	4,759	1.36	1.48	1.38	1.45
1	.18	.05	Calmont	8,785	.15½	.16½	.15½	.16½
1	.15	.05	Crow's Nest	21,850	.12½	.13½	.12½	.12½
No	.78	.36	Dalhousie	6,755	.55	.68	.57	.64
No	.05½	.02	Devenish	......	(.02½ bid ... asked)			
No	.12½	.04½	Freehold	3,300	.06½	.07½	.06½	.07½
No	.12	.04	Hargal	12,100	.10	.12	.10½	.12
No	.38	.09½	High Sarcee	2,000	.10	.11	.10½	.10½
No	1.46	.70	Home Oil	9,850	.90	1.12	.87	1.08
No	.03	.01	Madison	15,000	.02	.02	.02	.02
No	.20	.11½	Marjon Oil	5,950	.18	.19	.16½	.16½
No	.14½	.05	McD. Segur Ex.	16,900	.08	.09	.08½	.08½
1	.40	.20	McLeod	......	(.25 Oct. 2)			
No	.18½	.10½	Mercury	15,400	.10½	.11	.10½	.11
No	.24	.09	Merland	1,000	.09½	.12½	.12½	.12½
No	.15	.08	Mill City Pete	1,000	.11	.10	.10	.10
1	.29	.20	Model	4,000	.24	.27	.25	.26
5	.26	.10	Nordon	4,300	.11½	.14	.11	.13½
No	.25	.04	Okalta	9,000	.21½	.25	.21½	.24
No	.09½	.04½	Pacalta Oil	19,100	.04½	.05½	.05	.05½
1	.83	.34	Ranchmen's	3,700	.43	.44	.39	.42
No	39.50	26.25	Royalite	810	27.00	30.75	26.50	30.75
1	.27	.09	Spooner	......	(.12 bid ... asked)			
No	.09½	.05	United	7,000	.08½	.07	.06	[illegible]
No	.10½	.04½	Vanalta	......	(.35 bid ... asked)			
1	.65	.10	Vulcan	8,700	.59	.65	.59	.63
1	.09½	.07	Wellington Oil	......	(.08½ June 20)			

Week in Wheat

Strength of Liverpool Now Felt at Winnipeg

European Buying Improves as Nervousness Following Currency Deflation Gradually Disappears — Weekly Exports Reach 6 Millions Mark

From Our Own Correspondent

WINNIPEG.—Another indication that the strength of the wheat market at present centred largely at Liverpool was given early this week when with both Winnipeg and Chicago closed, Liverpool prices for futures made new highs.

This was followed by an excellent buying for export as soon as the Winnipeg market was open again. Figures for the wheat movement last week were encouraging. More than 5 million bushels were shipped overseas, and over a million bushels entered United States duty paid.

Heavy forward of freight space, both lake and ocean, suggests that the movement is likely to continue on a large scale at least until the close of navigation.

Continental countries are now reported to be bidding for Canadian durums and premiums for such wheat are commencing to strengthen. While substantial sales for Italian consumption are understood to have been made, French business is yet in the prospect stage, although considerable business is expected soon. Exporters have now got over the nervousness resulting from recent currency changes, and are beginning to offer more freely.

Government Blamed

GOVERNMENT interference is blamed by Uhlman for Chicago's draggy wheat showing as compared with Liverpool and Winnipeg. "With the high income tax on speculative profits a great many rich men find little inducement to take many chances marketwise," he argues, adding that other classes of people either have not the means or the inclination to furnish the high margins which Chicago now requires. The result is thus summarized:

"Naturally this absence of buyers temporarily keeps prices down but finally if wheat is worth more money in the long run it will sell for exactly the same price as if speculators had had an opportunity to anticipate results and make purchases ahead, therefore absorbing part of the surplus which must be paid. We think that economists generally will agree, and past history has demonstrated, that governments cannot make markets or create values through laws and administrative efforts."

* * *

No Price Cutting Now

THE latest Broomhall estimate of wheat shipments this year from Danubian countries is about 80 million bushels. This is just about double last year's exports. All overseas markets have been impressed by the rapid rate at which this wheat has either been absorbed by continental countries or booked for their account, leaving small supplies to go to the British market. The British duty is operating this year against such wheat, as the producers find that they do not need to cut their prices by 6 cents a bushel to get a market elsewhere.

More Bullish Factors

BOTH from Argentina and Australia bullish factors have come into the market. Continued drought is believed to have definitely impaired production prospects in Australia. An export surplus of not more than 85 million bushels is now predicted compared with at least 20 millions more than this a few weeks ago. From Argentina comes the government estimate of wheat acreage of 17,351,000 acres. While that is higher than the first official estimate, it is still considerably lower than previous trade surveys. It is now believed that the rainy weather at seeding time must have curtailed operations to a greater extent than was first realized.

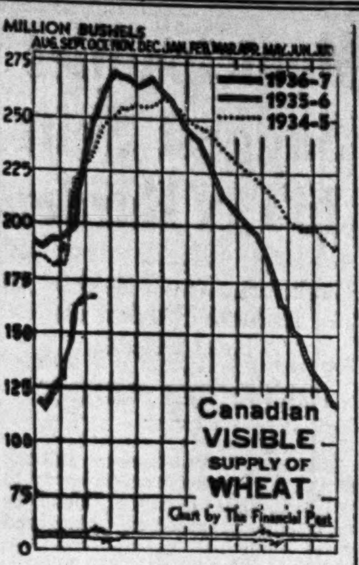
Reports as to the actual condition of the Argentine growing crop vary widely, but market behavior at Buenos Aires is taken to indicate that prospects are at least no better than average. Clearances of old crop wheat are now very small, as there is little to spare beyond domestic needs and requirements of the Brazilian market. There seem to have been no grounds for the report the government would prohibit further exports of old crop wheat. But the fact that such reports should ever circulate sufficiently to require official denial indicates the smallness of stocks.

* * *

Freight Rates Move Up

RISING ocean freights, even though they do increase the costs of transporting Canadian wheat overseas, are a current factor in favor of Canadian wheat. The latter, when shipped from the Atlantic, seaboard, has a much shorter ocean journey than grain from the southern hemisphere. The relative advance in freights from Argentina and Australia may be only proportionate to the advance in rates from Canada, but the absolute advance, expressed in cents per bushel, is bound to be much greater. The same consideration, of course, operates to put Vancouver at a disadvantage.

Lake freights, too, have been advancing under the influence of heavy shipments from Port Arthur, not only to lower lake ports but also to Duluth, Milwaukee and Chicago. The ruling basis has lately been 4½ cents to Montreal, with vessels now demanding 4¾ to 5 cents. This, however, is still below the 6-cent basis that is considered almost the minimum for a really remunerative rate. But it is much better than the 3 to 3½ range that was in effect during part of the current season.



OVER THE BEND

Heavy export clearances of wheat last week plus slackened country deliveries actually resulted in the first decline in visible since the new crop started to flow to market. As country deliveries have shown a definite tendency to decrease in the last few weeks and with no let up in clearances it begins to look as if the high point in accumulation has been reached this season. From now on marketings will come more and more out of stored grain though, of course, at least 60 to 70 million bushels must still remain in farmers' hands. To Oct. 9 over 110 million bushels from a crop estimated at only 216 millions, had passed into country elevators.

Canadian Visible

Week of Oct. 9	Last Week	Last Year
161,858,000	162,116,000	254,949,000

Export Clearances*

Week of Oct. 9	Last Week	Last Year
4,946,014	5,591,241	2,624,320

*Plus U. S. imports.

Flour Exports Valued Higher

Although flour exports this year have failed to show a very substantial increase in volume over 1935, prices have. This gain in value per unit, nearly 50 cents per barrel in September over the same month a year ago, explains the much more satisfactory reports being issued by milling companies recently.

Here are the figures:

Flour Exports

Sept.:	Aver. Price $	Barrels	Total Value $
1936	4.22	378,318	1,599,748
1935	3.76	395,640	1,489,257
1934	3.93	369,320	1,452,148
1933	3.86	552,556	2,136,597
12 Months ended Sept.			
1936	4.08	4,972,761	20,321,950
1935	3.82	4,741,103	18,109,740
1934	3.53	5,203,201	18,415,342
1933	3.30	5,687,962	18,800,642

Wheat shipments, as weekly reports have indicated, have been on a much higher scale than a year ago. September, 1936, showed a total volume of over 20 million bushels as compared with 17 million for September, 1935. Gain in price per bushel in the same period amounted to almost 15 cents. For the 12 months ended September 1935 approximately 235 million bushels were exported as against slightly over 150 million a year ago.

Details are as follows

Wheat Exports

Sept.:	Aver. Price $	Bushels	Total Value $
1936	.99	20,720,316	20,582,258
1935	.84	17,272,672	14,669,993
1934	.87	17,568,359	15,322,967
1933	.75	19,668,351	14,918,818
12 Months ended Sept.			
1936	.84	234,926,277	199,338,697
1935	.81	151,047,832	122,510,256
1934	.73	174,212,726	127,627,014
1933	.58	223,291,820	129,907,815

High Prices May Offset Poor Crops

Final Farm Returns Show Drought Losses Heavy

BUT VALUES UP

Repercussions of last summer's serious drought frequently appear in the final crop report for the season just issued by the Bank of Montreal and also in the current government estimate of late crops. Yields have been drastically reduced in the Prairie Provinces and also central Ontario as a result of the record dry weather in July and August.

But in so far as western wheat is concerned, higher prices and better yield have more than offset the shrinkage in volume from a year ago. In Ontario diversified crops maturing before or long after the drought turned out fairly well and thus eliminated any threat of serious winter feed shortage. It will depend upon next winter's prices for the beef, milk and pork produced on this year's smaller crops, however, whether Ontario farmers will equal the revenue they received last year. But present tendency in many lines, however, is upward.

Thus in brief it appears that higher prices are going to make this year's short crop just as valuable, if not more so, to the farmer as the larger yields in 1935. This should mean no let-up for business in total sales in rural districts. But the lessened volume of agricultural production will hurt companies carrying or processing farm produce.

Wheat Crop Small

This year's total wheat crop in the Prairie Provinces is estimated to be slightly less than the small crop of last year. Averages only run from a high of 12 bushels per acre in Manitoba, slightly over 9 in Alberta, to a mere 8 bushels in Saskatchewan. This compares with an average of at least 20 bushels per acre in good years such as 1927 and 1923, and an average of 15 bushels per acre for a moderate crop. Over the past 10 years total crop has averaged approximately 358 million bushels, whereas this year it is estimated at only about two thirds of that figure or 216 millions.

Production of feed grains, says the bank report, was substantially lower and winter feed supplies are insufficient in a number of western districts. The official report mentions feed grain production as the lowest in over 10 years.

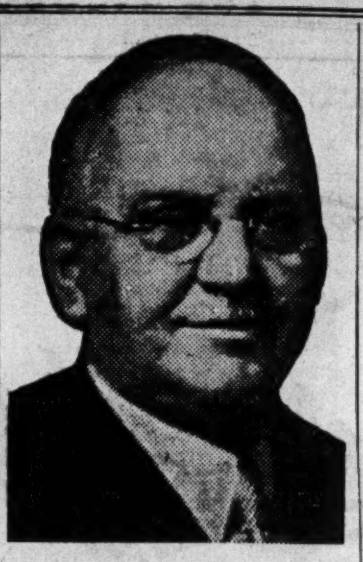
It is possible since these reports were compiled that there has been considerable improvement. Late autumn rains have produced some pasture growth in the West, though not, it is understood, to anything like the same extent as a year ago.

Eastern Canada Good

The Bank of Montreal estimates agricultural results in Quebec, and in eastern and southwestern Ontario have been satisfactory. But in the western part of older Ontario, it is stated, crops were severely reduced by drought. Winter wheat gave a normal yield for the reduced acreage planted, and also early hay, because both matured before the full effects of the drought were felt. But spring grains are reported unsatisfactory. Late root crops and other fodder are reported promising. Yields of most kinds of fruits and tobacco were below average.

Throughout the Maritime Provinces, farmers are reported generally to have had a satisfactory year.

Field crop conditions are reported as mostly satisfactory in British Columbia, but owing to winter damage tree fruits, mostly apples, are estimated at materially below that of a year ago.



INSURANCE DIRECTOR

Hon. G. Howard Ferguson, formerly Canadian High Commissioner in London, England, has been appointed to the directorates of the Western Assurance Co. and the British America Assurance Co. These companies, with head offices in Toronto, transact a general insurance business in most countries of the world.

Canada Northern System Expands

Mining Activity in Northern Quebec Brings Many Customers

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp., in a report to its shareholders, states that the past quarter has been a period of exceptional activity in most of the camps served by the company, particularly in Northern Quebec.

In the Cadillac area, the statement reads, contracts have been entered into with 3 new mining customers: "Bouscadillac Gold Mines, whose property lies immediately west of the property of Thompson-Cadillac Mines; Central Cadillac Gold Mines, and Canadian Gold Operators, both of whose properties are situate east of O'Brien Gold Mines.

"To each of these properties short feeders are being built, and service will be commenced shortly.

"In the Rouyn-Noranda area, the mill at Stadacona Rouyn Mines has been completed. Operations will be commenced shortly resulting in an appreciable increase in power load.

"To the west of the Rouyn area, recent diamond drill discoveries have stimulated activity in the Boischatel camp, and an expansion programme is under way at the Aldermac.

"In the Kirkland Lake Camp, operations are being resumed at several properties on which considerable work had been accomplished prior to closing down several years ago. These include Ritchie Gold Mines and King Kirkland Gold Mines, and power is being supplied to both these properties.

"In the same section of the camp, Morris Kirkland Mines have completed the construction of their mill, which will be in operation shortly.

"In the Porcupine area several of the larger mines are adding to the scope of their operations, resulting in increased power requirements, and a new customer, DeSantis Gold Mining Co., was connected with our lines.

Sale of Atlas Tires Continues in Canada

For some years service stations of Imperial Oil Co. from coast to coast of Canada have sold Atlas tires. That will probably continue in most stations even though all retail outlets are being rapidly turned back to individual operators.

The passing of the Robinson-Patman anti-discriminatory allowance legislation caused the B. F. Goodrich Rubber Co. at Akron, Ohio, to announce recently that it had cancelled its contract with the Atlas Supply Co. to produce private brand Atlas tires for sale through thousands of Standard Oil filling stations in the United States. As there is no such legislation in Canada it is likely that Canadian Goodrich will continue to make Atlas tires to sell to stations which feature Imperial Oil products.

Port Royal Pulp

Port Royal Pulp & Paper Co., Ltd., is installing a new plant at Saint John, N.B., to manufacture fine quality pulp base. The new development will be completed by January 1 and will increase production from 85 tons to 125 tons per day.

See Strength In High Price Near-by Wheat

Premium of Cash Over Futures Cited as Bullish Factor

REVERSES OLD TREND

From Our Own Correspondent

WINNIPEG.—At Winnipeg, Chicago and Liverpool cash wheat commands a premium over more distant months. While the basic reason is somewhat the same in all cases, there are important variations. In each case, however, the condition mentioned is believed to indicate a strong market.

Reverses Trend

It was a paradox of the market that when prices were falling distant wheat prices were always maintained above cash wheat prices, and the more rapid the decline in prices, the greater as a rule the premium of the more distant months over the cash price. The fact that wheat for delivery several months ahead was quoted at an advance over immediately prevailing prices was consequently not an expression of opinion that wheat was going to be worth more later on. It simply indicated that wheat was very plentiful and much of it had to be stored for a long time. Buyers, rather than incur the cost of storing it themselves, were willing to pay for storage, in a higher price for later delivery.

Similarly the fact that distant deliveries now are quoted at a discount under actual current prices does not, it is claimed, express an opinion that wheat will be cheaper later on. It means instead that buyers are sufficiently anxious to get wheat under their complete control that they are willing to pay storage costs themselves, and to pay an additional premium for a privilege that imposes such a cost on them.

Liverpool and Chicago

There is an additional factor in Liverpool, where the October future was quoted last week at about 9 cents over the March future. These 2 futures represent different wheat. Whoever buys the October future will have Canadian wheat tendered to him, while the buyers of the March future will probably be offered Argentine wheat.

At Chicago December wheat has been at a premium of about 1 cent a bushel over the May delivery. By May the available wheat in the United States will be pretty well picked over, and what is left will be the poorer qualities and grades, so purchasers are willing to pay more for the chance to get the kind of wheat they want. July wheat is quoted about 15 cents a bushel under May because new crop wheat will then be available.

Want it Now

At Winnipeg both October and November deliveries are quoted at slight premiums over May wheat, in spite of the obvious fact that wheat will be much scarcer in Canada in May than it now is. But exporters want to get wheat at once, either to ship overseas or to place in eastern storage where it will be available for export during the winter. And buyers for United States mills are particularly anxious to get their purchases in positions where it can be used while navigation is closed on the lakes.

December wheat is at a discount under other delivery months, because it will be delivered when navigation is closed. But even there the discount is not enough to pay interest cost of carrying it into May, not to speak of storage charges. Possibility is implied of some all rail movement east during the winter, but much more strongly is the desire of exporters and dealers to get wheat under control.

A considerable part of the cash wheat at the head of the lakes is owned by the Canadian Wheat Board, through deliveries made to it on the October contract, and that is expected to pass fairly rapidly into the hands of exporters.

United Steel Will Handle Edge Moor Water Boilers

United Steel Corp. announces completion of arrangements with Edge Moor Iron Works, of Delaware, whereby the latter's water boilers will be manufactured in Canada.

The boilers comprising 3 and 4 drum bent tubes and air preheaters will be manufactured at United Steel's Welland, Ont., plant and will be sold through the various branches of the company in the Dominion.

Japanese Building Up Country's Wheat Crop

Japanese wheat production will show a decline of slightly over 5% this year as compared with 1935, according to a final government estimate. Compared with the 5-year average, however, wheat is up almost 15% which indicates success in the government's endeavor to increase the country's supply on this cereal.

Total yield in comparison with Canada's figures is still very small, it being estimated this year at almost 45.5 millions of bushels from 1,685,000 acres.

Halifax Cargo Tonnage Declines for September

From Our Own Correspondent

MONTREAL.—Volume of traffic handled at the Port of Halifax during September recorded a sharp falling off from that reported in the same month in previous years. Import cargo totalled 47,389 tons and exports 46,916 tons. For the same month in 1935 the inward cargo totalled 62,555 tons and outward cargo 54,925 tons.

For the first 9 months of the current year Halifax handled 823,653 tons of imports and 655,455 tons of exports.

Southern Canada Area Grows Active

Industrial Activity Adds to Company's Power Load

From Our Own Correspondent

MONTREAL.—Further expansion of industrial operations in its territory is reported by Southern Canada Power Co., in its quarterly letter to shareholders.

The following major developments have taken place since the middle of the year:

At Richmond negotiations have been completed for the establishment of a branch of the National Hosiery Mills Ltd., of Hamilton, Ont. for the manufacture of full fashioned hosiery.

St. Lawrence Textile Co. has established a knitting factory at Marieville.

Canadian Celanese Expanding

Canadian Celanese has called for tenders covering an addition to its plant at Drummondville.

In addition to extensions required to bring service to new customers in various municipalities, construction activities of Southern Canada Power during the past quarter have included increasing the capacity of the Drummondville distribution system and the construction of a new substation at St. Hilaire. The transmission voltage of the St. Bruno district supply lines, which are fed through this substation, has been raised to 13,000 volts.

Company Reports

Western Can. Flour

Western Canada Flour Mills reports substantial operating earnings for the year ended July 31, compared with a small operating loss in the 11 months ended July 31, 1935. After all charges, net profit was equivalent to $1.59 a share on the preferred stock. However, President D. B. Hanna says that "owing to a reduction in working funds" in the depression directors consider it necessary to strengthen the liquid position "before the question of dividend payments can be given favorable consideration." Unfilled orders are in excess of last year, he says, and "the business outlook is encouraging."

Total reduction of $521,600 is made in surplus, after appropriating $125,000 from general reserve and deducting special reserves for investments in bakeries and for depreciation and doubtful accounts. Survey of properties, value of which has declined since acquisition in 1928 and 1929, led to the revaluation of bakeries. The addition to reserve for depreciation and doubtful accounts is to supplement the previous year's allowance.

The balance sheet shows an increase of over $300,000 in inventories and of $224.000 in bank loans which stand at $833,000.

Income and Surplus Account

	12 mos. to July 31 1936 $	11 mos. to July 31 1935 $
Operating profit	177,861	*1,378
Less: Depr., taxes ..	139,461	50,978
Net profit	38,400	*52,356
Less: Pref. divds.	......	36,195
Surplus for year	38,400	*88,550
Add: Prev. surplus .	816,216	904,767
Tr. from gen. res...	125,000	......
Less: Spec. res. for invest. in bakeries	597,000	......
Spec. res. for deprec., doubtful accts. ...	88,000	......
Surplus forward	294,616	816,216

*Loss or deficit.

Working Capital

Current assets	2,145,984	1,944,957
Current liabilities ...	1,526,483	1,256,481
Working capital	619,501	688,476

Nanaimo-Duncan Utilities

Nanaimo-Duncan Utilities Ltd., operating in Nanaimo and Duncan on Vancouver Island, reports substantial improvement in income in the year ended June 30, 1936. After providing $8,000 more in depreciation, bond interest was covered by a wider margin than in the preceding period when it was earned over 3 times. A full year's preferred and common stock dividends, however, left a smaller amount to be added to surplus than in 1934-35. Earnings amounted to nearly 12% on the 6½% preferred stock.

Brig. Gen. J. A. Clark, president, states water shortage made it necessary to increase power purchases to $29,964, compared with $13,020 in the preceding period. Although $15,000 additional 5½% bonds were issued to pay for extensions, $6,500 of bonds were redeemed by sinking fund and the company paid $8,040 of its liability to the city of Duncan. The company has entered a long-term contract to supply power to the Northfield Mine of Canadian Collieries Ltd.

Profit and Loss Account

	Year ended June 30 1936 $	11 Mos. ended June 30 1935 $
Operating revenue ...	237,455	205,555
Net earnings	123,630	109,140
Less: Depreciation ...	30,000	22,000
Int. and taxes	45,722	40,173
Prov. for conting. ..	......	2,058
Net profit	47,908	44,909
Less: Pref. divd.	26,000	16,985
Common divd.	12,500	6,250
Surplus for period ...	9,408	21,724

Working Capital

Current assets	108,927	100,574
Current liabilities	62,994	55,962

Atlantic Sugar

Net profits of Atlantic Sugar Refineries for the first 8 months of 1936, available for dividends on the capital stock, amounted to $243,446. For all of last year net profits, on the same basis, totalled $596,571.

The financial statement issued by the company in connection with its public financing shows total assets as at the end of August last at $5.8 millions, compared with $5.6 millions at the close of 1935. The principal changes noted are an increase in inventories from $372,181 to $500,329 and a gain in the marketable securities from a book value of $400,071 to $753,892. The market value of these investments during the same period increased from $500,380 to just over $1 million.

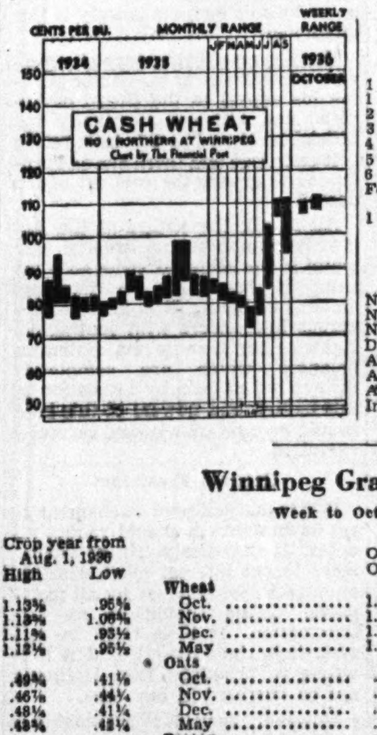
Dominion Stores

Continuing its persistent sales increases this year, Dominion Stores Ltd. reports a gain of one per cent in volume for the 4 weeks ended Oct 3. The increase, however, is the smallest reported for any 4-week period this year, and reduces the rate of increase in total sales to 9.7%. Comparative figures follow:

Dominion Store Sales

	1936 $	1935 $	Incr. %
4 wks. to Oct. 3	1,487,097	1,472,187	1.0
40 wks. to Oct. 3	14,830,943	13,511,289	9.7

Wheat Prices



(Cash Quotations)

	For Week Oct. 13 High	For Week Oct. 13 Low	Prev. Week High	Prev. Week Low
1 Man. Hard ...	1.13	1.08⅝	1.10¾	1.07⅛
1 Northern	1.12½	1.08⅛	1.10¼	1.06⅞
2 Northern	1.11¼	1.06⅜	1.08½	1.05¼
3 Northern	1.08¼	1.03⅝	1.05¾	1.02⅞
4 Northern	1.06¼	1.01⅞	1.03⅝	1.00⅝
5 Wheat	1.02½	.98⅛	1.00¼	.96⅝
6 Wheat	.95½	.93⅛	.95¾	.92¾
Feed Wheat ...	.83½	.81⅛	.83¾	.80⅝
Vancouver: Week to Oct. 10:				
1 Northern	1.09⅞	1.06⅛	1.08¼	1.04⅞

Competitive Export Prices:
(Oct.) shipment.

Week to Oct. 10

	High	Low
No. 1 North. (Vanc.) ...	1.27⅞	1.26
No. 2 North. (Atlan.) ...	1.26¾	1.24
No. 2 North. (Vanc.) ...	unquoted	
Danubian	1.14	1.08
Australian (afloat)	1.27⅞	1.25¼
Australian▴	1.20¼	1.17⅝
Argentine Rosafe†	1.10¼	1.06⅝
Indian (choice Karachi).	1.23	1.21½

†Jan.-Feb. ▴Dec.-Jan.

Winnipeg Grain Futures

Week to Oct. 13, 1936

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open Oct. 7	High for week	Low for week	Close Oct. 13
		Wheat				
1.13⅝	.95⅝	Oct.	1.09¼	1.13⅝	1.08⅛	1.12⅛
1.13⅝	1.06⅝	Nov.	1.09¼	1.13⅝	1.08⅝	1.12⅛
1.11⅝	.93½	Dec.	1.07⅝	1.11⅜	1.06⅝	1.10¾
1.12⅛	.95½	May	1.08½	1.12	1.07⅞	1.11
		Oats				
.49¾	.41⅛	Oct.	.45¼	.45⅝	.44⅛	.44⅝
.46⅞	.44¼	Nov.	.45⅜	.45⅛	.44¼	.44¼
.48¼	.41¼	Dec.	.44⅝	.45⅝	.44	.44⅛
.48¾	.42¼	May	.45¾	.46⅝	.45	.45
		Barley				
.68	.51½	Oct.	.61	.63⅛	.60⅛	.62⅝
.63⅞	.60½	Nov.	.60⅞	.62⅞	.60½	.62⅝
.63¼	.50⅛	Dec.	.58¾	.61⅛	.58⅝	.60⅝
.61⅞	.50⅞	May	.59	.60⅞	.57⅝	.60¼
		Flax				
1.90½	1.63½	Oct.	1.69	1.68	1.63½	1.63½
1.88	1.63	Dec.	1.63½	1.68¾	1.63	1.63
1.75¾	1.65¾	May	1.67¼	1.69½	1.66¼	1.66¼
		Rye				
.72	.62	Oct.	.68¼	.71¼	.68¾	.69⅞
.71⅞	.66⅞	Nov.	.....	.70½	.68½	.70⅝
.72	.61¾	Dec.	.67¾	.70¼	.67¾	.69½
.73½	.62⅝	May	.68½	.72	.68⅝	.70⅝

DIVIDEND NOTICES

MACASSA MINES
LIMITED
(No Personal Liability)
DIVIDEND NO. 7

NOTICE IS HEREBY GIVEN that a dividend of Five Cents per share, on the issued capital stock of the Company will be paid on November 2nd, 1936, to shareholders of record October 15th, 1936.

The Canadian five per cent tax will be deducted from dividends payable to non-residents of Canada.

By order of the Board,
L. SOLIAGUE,
Secretary.

Toronto, October 13th, 1936.

McWatters Gold Mines
Limited
DIVIDEND NO. 3

Notice is hereby given that a dividend of Five Cents (5c) per share on the issued Capital Stock of the Company has been declared payable Oct. 30th, 1936, to shareholders of record at the close of business Oct. 20th, 1936.

By order of the Board.
C. F. TUER,
Secretary-Treasurer.

Haileybury, Ontario, October 7th, 1936.

Anglo-Canadian Telephone Company
Preferred Dividend Notice

Notice is hereby given that a dividend of One and Three-quarters Per Cent (1¾%) has been declared on the 7% Cumulative Preferred Stock of the Company for the Quarter ended October 31, 1936, payable November 2, 1936, to Stockholders of record at the close of business on October 15, 1936.

By Order of the Board.
GEOFFREY PURDY,
Secretary.

Montreal, October 14, 1936.

Hollinger Consolidated Gold Mines Limited
DIVIDEND NUMBER 285
EXTRA DIVIDEND NUMBER 31

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 3rd day of November, 1936, to shareholders of record at the close of business on the 19th day of October, 1936.

Dated the 10th day of October, 1936.

I. McIVOR,
Assistant-Treasurer.

A. J. Pattison, Jr. & Co. Limited
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WINNIPEG, MAN.
COUNTRY ELEVATORS IN THE WESTERN PROVINCES TO SUPPLY SELECTED OATS, BULK OR SACKED, FOR LAKEHEAD SHIPMENTS FOR EASTERN TRADE
WINNIPEG, CALGARY, EDMONTON, PORT ARTHUR

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OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
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Own and Operate
One Terminal Elevator in Winnipeg
Two Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
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Maclean's
Canada's National Magazine

In The Construction World

Heavy Construction Waits on Railways

WHILE there has been a good deal of improvement in the Canadian heavy construction industries in the last 18 months, real recovery in this line waits on railway prosperity. The railways with their heavy rails, plates, spikes and other metal fittings, steel bridges, all steel and iron freight and passenger cars and their giant locomotives of practically 100% metal, have always been the main outlet for the heavy steel companies.

The average open-type freight car is a striking example of what the railways mean to the steel companies. Tipping the scales around 20 tons, in its whole weight there is nothing but steel and iron. No wood, no glass. Practically every ounce that goes into this carrier comes from a foundry or steel mill. There are about 10 tons of finished steel alone and the same in iron castings. It is an order for a string of these cars that brings prosperity to the big heavy construction industries.

* * *

New Markets But Small Volume

TRUE industrial and big office buildings have also been important customers and promise to become even larger consumers of steel in the future. Stainless metal store fronts, doorways and panelling have meant some business recently and will undoubtedly mean still more as the new idea gains ground. In this case it will not be a matter of great volume, the sheets of metal used are too thin for that, but as the material sells for 25 times the price of ordinary structural steel, its fabrication spells good profits and utilization of much skilled labor.

During the depression, too, federal and other governments became temporarily big customers of the steel plants. Many large Dominion Government buildings, requiring around 1,500 tons of structural steel each, were erected, in an effort to stem unemployment. The same urge caused provincial governments to extend highway development, and new roads, of course, mean steel building equipment, steel bridges, pipes and tanks. But this sort of business, with the beginning of recovery tapered off sharply. There is little new federal government office building today. Practically all the projects are completed.

Sharp recovery in the automobile industry and many other lines of general business has helped steel specialty companies and those with widely diversified lines, but the heavy construction group has not participated greatly here.

* * *

Big Potential Mart Is Still Dormant

THE main customers of the heavy construction industries are first the railroads and secondly industrial construction. In the latter there has been some definite improvement.

During the past 2 years several big new factories have been erected. And in addition there have been scores of important factory extensions, much store renovation and many new small theatres. All of these developments have resulted in orders for the steel companies.

But of railway orders there were practically none from 1930 until well into 1935. Hardly a car was built in that period and no locomotives. Late last year there was some buying and more has developed during the current season. In all, however, it has been a mere bagatelle compared with the predepression schedule.

There is an enormous potential demand, accumulating sharply with every month of deferred orders. Until this market is really tapped and industrial construction gets well under way no lasting peacetime prosperity is expected by the heavy steel and iron construction plants.

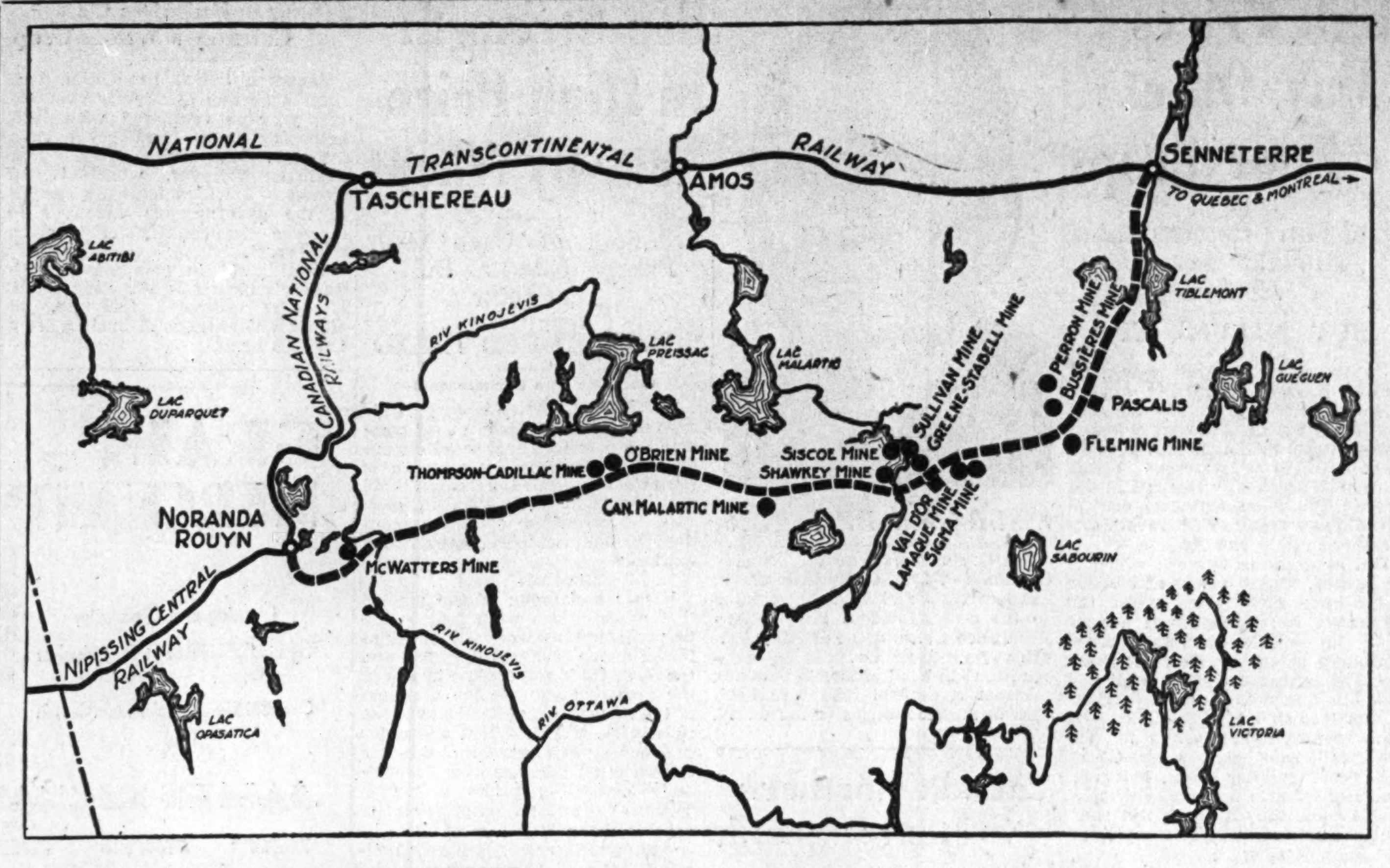
* * *

Home Owners Are Tax Conscious

A NEW and potent argument in favor of home building is advanced by the Guaranty Trust Company of New York in a recent survey of building recovery in United States. It states:

"Perhaps no greater check to government spending could be devised than the increase of a number of homes occupied by their owners. The social implications of changing a large number of families from rent payers to home owners are fully realized in Great Britain. The boom in moderate priced homes in that country has placed thousands of new families in the home owning class. This transition has given these families a new social outlook; it has instilled in them a new interest in their locality and removed the indifference to expenditures by public authorities that is typical of most rent payers."

Certainly the home owner who, in our larger Canadian cities, foots an annual tax bill on his property, equivalent to $15 to $40 per month, is going to be decidedly interested the way this money is spent. He will be much more interested than the average tenant who does not pay a great deal more in rent a month and who never sees a tax bill. The impression is gaining ground steadily that expansion in home building is closely allied with taxation and until some solution of this growing burden is worked out and some guarantee advanced against uncontrollable future taxation there remains a most difficult barrier for the builder of homes to overcome.



LIFE LINE FOR QUEBEC GOLDFIELD

Construction work on the new branch line of the Canadian National Railways serving the rich mining area south of the Transcontinental in northwestern Quebec will start shortly. The line has already been surveyed, and will take the route shown above, from Rouyn to Senneterre. Tenders for the clearing, grading, culverts, etc., have been called for, and it is expected that clearing for the new 100½-mile line will be finished this winter, with possibly some of the concrete work of the substructures for the 2 important bridges on the line.

As well as serving the principal mining enterprises shown above, together with numerous other properties in the initial stage of development work, the new line will aid colonization and lumbering. Sixteen miles south of where the line turns southwesterly from Pascalis, in the Lac Victoria district, is a very large stand of white pine, indicated in the above map.

Seek New Road To B.C. Coast

Would Build 142-Mile Connecting Link Through Jasper

Construction of a new highway from the prairies to the coast through Jasper is being planned. Recently an Edmonton organization petitioned Hon. T. A. Crerar for federal government help in the building of a 142-mile connecting link between Jasper and Blue River.

Little New Building

Of this stretch, only 45 miles, it is said, would be required of entirely new construction, the remainder already existing in partially built trails which would require much less work to turn into a highway. From Blue River. the highway would connect with existing roads leading west in British Columbia to the coast.

Low Cost Argued

It is argued that the 142-mile section of highway could be built at low cost by comparison with other roads, as building material is at hand and the mountain passes are low. Maintenance cost, also, it is argued, would be much lower than through ordinary mountain country, although a virgin scenery of magnificent proportions would be opened.

Regina Seeking Revenue From Vacant Real Estate

Regina civic authorities are making a comprehensive survey of the real estate held by the city with a view toward making it revenue producing. Steps are being taken to put all tax sale houses into livable condition and offer them for rent or sale.

Tax Uncertainties Retard Construction

It Cannot Play Full Part in Boosting Recovery

Uncertainty regarding government policy in matters of taxation is blamed for the Guaranty Trust Company of New York for the lack of wide scale construction in United States. As conditions in the latter country closely parallel those in Canada, where in both cases there has been a moderate expansion in building, but nothing in comparison with the recent boom in Great Britain, the arguments advanced by the Guaranty Trust are of particular interest to Canadians.

Wide Difference

"In a comparison of the revival of general business in Great Britain and United States in recent years," the Trust Company states, "no point of difference stands out more consciously than the much greater influence that the building industry has had on British recovery. Despite the existence of conditions favorable to building here, such as an abundance of investment funds and an accumulated need for new construction, this activity has made considerably less progress in the last few years than in many other branches of industry.

"Undoubtedly the greatest drawback to construction, especially industrial, has been the lack of confidence growing out of some of the government's programmes. Many industrialists hesitate to expand their plants or to replace deteriorated or obsolete buildings in the face of huge government deficits and unbalanced budgets which have brought about conditions that may lead to grave consequences if they are continued much longer.

Could Aid Recovery

"Although the position of the construction industry as a whole has improved with comparative slowness and as yet has not played an important part in bringing about recovery," continues the Trust Company, "it could and should exert great influence in the business revival still to be made.

"Many people have gained the erroneous impression that the building boom in Great Britain was the result of an extensive plan sponsored by the government to further business recovery by financing home building. They point out that its success should encourage our government to carry out some similar project. The British Minister of Health, Sir Kingsley Wood, recently announced that since the end of the war 3 million homes have been built in the country. It is significant that only about 15% of these homes were erected with government assistance, and the Minister holds that this privately financed building boom has been the greatest single force working toward recovery in England during the last few years.

Private Building Influence

"After the reduction in state housing subsidies in 1929, private enterprise in Great Britain entered the building field with renewed vigor. The Housing Act of 1933 abolished housing subsidies except for replacement and rehousing operations of municipalities under slum-clearance projects. The act granted to municipal authorities the right to lend up to 90% of the valuation of a home for a period of 30 years at an interest rate of 1% below the predominating rate. The difference in risk between this loan and the type usually granted by the societies is guaranteed by the state and local authorities. Very little financing, however, has been done under this provision of the act. The removal of the government from the building market has relieved the treasury of a burden of about £16,000.000 annually, an outlay that was threatening to rise to uncontrollable limits."

New Products

International Harvester Co. of Can., Ltd., now offers a new 6-cylinder Diesel power unit that is started by cranking, Model PD-80. This model is designed to handle big jobs such as operating a sawmill with 1,100 to 2,200 board ft. per hour capacity, operate a 1¼-yd. power shovel or scraper, etc. It develops a maximum of 100 h.p. at sea level or 80 h.p. on continuous load.

See Big Sales Air-Conditioning

Sales on air-conditioning equipment may be expected to double about every 3 years, Willis H. Carrier, chairman of the board of Carrier Corp., one of the largest manufacturers of air-conditioning equipment in the United States, told the National Business Conference the other day. Sales in 1935, pointed out Mr. Carrier, equalled the 2 preceding years combined.

Hardship Follows In Creditor's Act

(Continued from page 11)

good, efficient farmers who have been struck by hard times. These shun the ignominy of the procedure and struggle on even although they are paying an interest rate which is too high in relation to their productivity.

On the other hand, the favors under this Act are in the main given to farmers who are either poor managers, poor farmers, or for some reason, either through their own fault or through force of circumstances, are not efficient producers. The encouragement of this type of farmer at the expense of the efficient farmers should not be tolerated. Further, if these farmers are deserving of charity, it is unfair to pick out arbitrarily their creditors and to force them to donate against their will while the rest of the general public is not directly touched.

The machinery of the Act is quite inadequate for the purposes for which it was created. The Board of Review for Ontario is about 6 months behind in hearing appeals, and in the meantime the creditors have interest coming due and no remedy or way of collecting until after the sittings of the Board.

No Check Against Fraud

The Act has no effective means of preventing frauds by the applicants. The story of the applicant receives great weight and many applicants make plans a long time in advance to go under the Act and are thus able to show a pitiful case on the surface. Many perjured statements are filed and acted upon. To bring an action for perjury is distasteful to creditors, and where there are fraudulent conveyances, even if those are upset, the chances of realizing are so cut down by this Act, that rarely is this attempted.

There is no effective way of supervising the affairs of the debtor pending his appeal to the Board of Review, and although nominally the official receiver has this task, rarely is it exercised and there are no regulations to govern the conduct of the debtor.

All in all, the abuses of the Act greatly outnumber its benefits and, while it has achieved some good results, it has done an immense amount of harm. It is always dangerous to interfere with contractual rights as our laws have a system of balances which are completely thrown out of gear by legislation of this nature, and powers of this kind should be very slowly and carefully exercised.

Unequal Treatment

If it is the policy of Parliament to cut down debts, it should reduce all debts. If it is the policy of Parliament to cut interest rates, a maximum rate should be set for all mortgages. There should be no discrimination. If it is right in one case, it is right for all, and if it is wrong in principle, then it should not be tolerated in any case.

However, certain flagrant abuses under this legislation can be cured and the Act made more meritorious and the following tentative suggestions are made:

Creditors Meeting Approved

1. The feature of calling a meeting of the creditors of a debt-ridden farmer to grant relief is a good one and should be retained. The creditors are generally local and have a fair idea of the affairs of the farmer. I suggest that a majority of unsecured creditors should be able to bind a recalcitrant minority to the acceptance of a proposal affecting unsecured debts, as one individual, before the Act came into effect, could force all other creditors to act in order to salvage their claims, even though these were willing to allow the debtor time for payment.

Leave it to Judges

2. The Board of Review should be abolished and its place taken by the local county court judge. The local judges usually have an intimate knowledge of the persons within their jurisdiction and are better qualified to deal with local cases. Appeals would then be heard more expeditiously. The powers of the judge on appeal would be to extend the time for payment of debts only, or to cut interest rates within limits which should be defined. No power should be exercised to reduce principal on mortgages without the consent of the creditors.

Get After Chisellers

3. Official receivers should be instructed to scrutinize applications thoroughly for perjury or fraudulent practice and to lay charges when there is any evidence thereof. This would soon stop many abuses under the Act.

4. Appeals should be heard within one month of the first meeting of creditors.

New Industries

Standard Tube Co., Woodstock, Ont., manufacturer of welded and close joint steel tubings and special tubing shapes, has completed additions to the plant. (Canadian Machinery.)

Daily Commercial News notes that: **Dominion Linseed Oil Co., Ltd.,** Owen Sound, Ont., contemplates an addition to the plant.

Ideal Power Production's plant, at Eastview, Ont., is expected to be completed by the end of October, when manufacturing operations will be started. (Ottawa Evening Journal)

Walkerville Malting Works has taken over malting plant in the old Royal Bank building at Sarnia, Ont. (Sarnia Observer)

Federal Wire & Cable Co., Guelph, Ont., has purchased the plant of Crowe's Iron Works. (Guelph Mercury)

E. B. Eddy Co., Hull, Que., will spend approximately $250,000 in improvements to the plant. (Ottawa Evening Journal)

Lawrence Mfg. Co., Vancouver, is now manufacturing tractor hoists, gasoline logging donkeys and general hoisting equipment which were previously imported.

Port Mellon Operating Co., reorganized to take over property at Port Mellon, B.C., formerly owned by Vancouver Kraft Co., reports that the project will soon be in full operation.

Dominion Twist Drill Ltd. has been granted Dominion charter and has taken over plant formerly occupied by Whitman & Barnes, Ltd., and will continue to manufacture complete line of tools as produced in the past by the former company.

Debt Reduction Idea Spreads to Sask. Cities

Having seen families in adjacent dried out areas successfully negotiate for mortgage reductions, Regina home owners have now started a similar drive.

Plans for a petition to be forwarded to the provincial authorities are being drawn up by an organization claiming to represent a large district of home owners. Statement outlining the objective says:

"Thousands of home owners in Regina have lost their homes during the so-called depression, thousands are desperately in need of some concessions if they are to save theirs. We believe our citizens are entitled to the same consideration as the farmers in the south. Reduction of debt and cancellation of taxes and interest in arrears are urgently needed. The manner in which the farmers obtained voluntary reduction of their accumulated indebtedness merely indicated that nothing is gained by remaining dignified and silent while abnormal taxes and interest run away with the homes."

Municipalities Suggest Shift In Tax Burden

Saskatchewan Seeks to Reduce Burden on Real Estate

REVENUES SHRINK

From Our Own Correspondent

REGINA, Sask.—General shifting of the tax burden from property to persons stands out as the fundamental change proposed by urban and rural municipalities in briefs submitted to the Saskatchewan municipal tax survey commission.

The commission, headed by Neil H. Jacoby a former Saskatchewan resident who is connected with the State of Illinois tax department, has completed its hearings. Its report is not expected to be ready until early in December.

Interest shown in the work of the commission is revealed by the number of suggestions placed before it proposing practically every form of personal taxation and an easement of property taxation.

The city of Moose Jaw presented the most complete memorandum, and its experience is typical of other municipalities in the province. Its brief points out that services to land consumed 62% of the city's budget in 1915 and services to persons 38%. Since then there has been an almost continuous increase in expenditures on services to persons and a decline in the cost of services to land, the proportion in 1925 being 65% and 35% respectively, and 75% and 25% in 1935. In 1915, revenue from lands and buildings exceeded expenditures on services to these, but revenue from persons has never equalled the amount expended on such services. Revenue from land and buildings amounted to 78% of total revenue in 1915, 53% in 1925, and 91% in 1935.

Revenue Shrinks

Lower assessment values, shrinkage in taxable property due to considerable land reverting to the city and a decline in the taxpayer's ability to pay has been responsible for declining revenues. The report of the department of municipal affairs for 1934 shows that about 29% of the entire municipal levy of the province was not collected.

Distribution of wealth is another item discussed. Much wealth formerly invested in real property has been diverted to less tangible forms of property which are outside municipal authority for tax purposes.

Specifically Moose Jaw is of the opinion that a reduction in the number of services dependent on municipal government powers is more desirable than an extension of municipal power to tax.

Regina presented statistics to show that real property owners pay 86% of the school tax burden without regard to parentage or responsibility. Such free education was dubbed the most costly the world has ever known.

Social Service Expenditures

One of the chief suggestions is that the commission recommend that the senior governments assume more of the expense of carrying on the "social services."

A wage tax, poll tax and sales tax appear to be the 3 main methods of personal taxation available, according to the various arguments before the commission. It was revealed, however, that the wage tax is not popular in Manitoba, due to other income taxes, and may vanish soon. A poll tax does not provide necessary revenue, past experience shows, and the sales tax is not within provincial jurisdiction.

Halifax Harbor Traffic

Halifax harbor traffic in August was the heaviest in years. Cargoes of overseas vessels totalled 114 and tonnage cargo handled totalled 182,553 tons against 145,952 tons for the same month of 1935.

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City of Calgary Seeks Temporary Interest Cut

Mayor Davison Favors Orthodox Methods of Adjustment

IS LINOTYPE OPERATOR

MAYOR DAVISON

The City of Calgary is not attempting to repudiate its just obligations, but merely desires a temporary cut in debenture interest to enable it to meet the present critical situation in the financial affairs of the city, The Financial Post is informed by Mayor Andrew Davison. If temporary relief from its heavy financial burden is obtained for a short period the city will be able to meet its obligations in full, Mayor Davison feels.

Although the city could obtain a reduction in debenture interest by requesting the Provincial Government to proclaim the Municipal Securities Interest Act, which provides that no municipality shall levy for more than [illegible] interest, it has chosen to negotiate with bondholders for a voluntary reduction. Recently the city council unanimously decided to seek a voluntary rather than a compulsory reduction, feeling that in this way the city's credit would not be adversely affected and that the loss to bondholders through a temporary reduction would be less serious.

Investigation Under Way

An investigation into the city's finances to determine whether it is unable to pay is already under way by Dominion Mortgage and Investments Association acting on behalf of the bondholders. As soon as the preliminary survey has been completed, the association will send a man to Calgary. A tentative date for the hearing of the interest reduction proposal by the Alberta Public Utility Board has been set for Nov. 16.

Asked what the attitude of the city would be if bondholders refused to give a reduction, Mayor Davison stated he did not know. While the council is opposed to a compulsory reduction it is possible it would be forced to take drastic action if bondholders refuse to co-operate.

Relief Burden Heavy

The need for a reduction in debenture interest has been brought about by a steady deterioration in current position during recent years. In addition, the city owes a substantial amount to its sinking fund. Last year 75% of the current levy was collected and total tax collections amounted to about 97% of the levy. Collections of arrears, however, did not help the city's current position since they were pledged against sinking fund and school board indebtedness.

The factor chiefly responsible for the critical situation in the city's finances is the cost of unemployment relief and public charities. While other expenses have been cut by 15% since 1929, relief and public charities expenditures have increased by 526%. Reductions in some departments have been as high as 40%.

Of the 1936 budget of $4.1 millions, 20% is for relief and public charities. The city's share of relief costs for 1936 as estimated at $818,000 while in 1929 expenditures on this account amounted to $130,000 or 3,59% of the budget. Fixed charges, including interest and sinking fund payments, amount to 20.6% of the 1936 budget and education expenditures to 32%.

While the relief situation in most Ontario cities has been declining it is becoming even more serious in Calgary, and the city is looking forward to a rather difficult winter. Mayor Davison points out that the number of registered unemployed in Alberta has shown a very substantial increase over a year ago.

Not A Social Crediter

While admitting he is not a "Social Crediter," Mayor Davison refused to discuss the Aberhart experiment other than to say that he thought Social Credit not workable and that the policies of the present government will have a detrimental effect on the economic life of the province. Incidentally, Mayor Davison defeated a Social Credit candidate for the mayoralty chair.

Born in the north of Ireland, Mr. Davison came to this country when he was 10 years of age. He lived for a short time in Montreal but has spent most of his life in Alberta. Indicative of his popularity and ability is the fact that he is now serving his fourth 2-year term as mayor and his 13th year as a member of the city council. Because of his long experience he is perhaps better acquainted with the city's financial position than any other individual and is well qualified to carry on present negotiations with bondholders.

Mr. Davison is a great believer in the 2-year term for aldermen and mayor since it provides for a continuity of government not enjoyed by most municipal governments. Under the present system in Calgary all members of the council are elected for 2 years. In addition to the mayor, there is an elected commissioner and 12 aldermen. One year, the mayor and 6 aldermen are elected and the next year the commissioner and another 6 aldermen. Under this system a mayor has a much better chance to carry out a proposed programme than where the entire council is elected each year, Mr. Davison believes.

Believes in Freedom of the Press

Associated with newspapers most of his life, Mayor Davison is a great believer in the freedom of the press. Unlike his fellow Albertan, Premier William Aberhart, he believes the press for the most part is unbiassed and endeavors to give a fair and correct report of matters of interest. By trade, Mayor Davison is a linotype operator, and if and when he decides to retire from municipal politics, will return to his type-setting machine at the Calgary Herald. Incidentally the Calgary Herald is one of Premier Aberhart's strongest critics and has been subjected to the Premier's wrath on a number of occasions.

Was a Reporter

Mr. Davison's newspaper experience, however, has not been confined to the composing room. For several years he was a reporter and at one time ran a weekly newspaper at Strathcona, Alta., which is now a suburb of Edmonton. This experience has stood him in good stead in his friendly relations with the press during his career in municipal politics. Using his reporting experience to good advantage he usually writes his own interviews.

Differs With Edmonton's Mayor

Mayor Davison has little in common with Mayor Joseph Clarke, K.C., of Edmonton. Indicative of the difference in the men is their attitude toward compulsory reduction in interest on municipal debentures. Mayor Clarke is the champion of the provincial act which provides that no municipality can levy for more than 3% interest on its debentures. He has been actively agitating for proclamation of the act, but in this matter was turned down by his city council which voted to negotiate with bondholders.

Even with negotiations under way, Mayor Clarke has displayed considerable impatience with bondholders and has issued an ultimatum that he will tolerate no delay. He fails to realize that it is strictly up to Edmonton to prove that it is not in a financial position to meet its obligations and that if bondholders are to be in a position to give consideration to the city's proposal they must be given time to make a detailed study of Edmonton's financial position. Some delay is inevitable.

Mayor Davison, on the other hand, is quite convinced that the best way to handle the situation is to seek a voluntary reduction and is quite willing to co-operate with bondholders in every way possible.

New Air Bases Mooted for B. C.

First tangible results of the announcement of Hon. Ian Mackenzie, Minister of National Defence, to strengthen Canada's fighting forces are expected to be seen along the British Columbia coast. The air base at Jericho beach is to be strengthened by an extension of the foreshore and 7 new hangars. This development calls for an expenditure of $375,000.

Creation of two new air bases, one at Prince Rupert and the other on the north coast at some intermediate point, are also said to be under consideration.

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Sask. Debt Reduction Overstated

Estimate of $75 Millions Includes Old Cancellation

MOST IN MORTGAGES

From Our Own Correspondent

REGINA, Sask.—The original report published by The Financial Post which stated the Saskatchewan debt reduction to be in vicinity of $50 millions has proved correct as against the estimate of the $75 millions made by Premier W. J. Patterson.

A breakdown of the amount reveals mortgage companies stand to lose $22.5 millions. The municipalities will be out $16.7 millions and the Provincial Government is taking over bank advances to municipalities in the drought area amounting to $5 millions. The Provincial Government loses $6.7 millions by cancelling public revenue tax arrears. This makes a total of $50.2 millions.

Dominion's Share

The remainder of the $75 millions estimate, as far as can be gathered, is by no means new cancellation but dates back to 1931 and 1934-5, and is composed of $10 millions cancelled back in 1931 by the Federal Government and another $13 millions cancelled in 1934-5. This may account for the lack of statement from the Federal Government as to the Ottawa contribution toward the $75 millions cancelled.

As regards the loss to 158 municipalities in the drought it should be pointed out that the Provincial Government debt survey in 1934 revealed that all Saskatchewan rural municipalities could leave about 75% of tax arrears uncollected and still be in a position to pay liabilities.

Municipal Losses

Breakdown of the municipal figures reveals that municipalities will lose $9 millions and school districts, $7 millions.

Municipalities will be left with the last 2 years' tax arrears on their books. The Government is of the opinion such collections will enable the municipalities concerned to carry on with a slight surplus after paying liabilities.

The Provincial Government is not unmindful of the predicament of teachers in rural schools who have hundreds of thousands of dollars owing them as the result of school boards being unable to pay them full salaries during the past 5 years. The Government is working on this problem and will have a statement ready shortly.

To Push Farm Exports Through Agents Abroad

From Our Own Correspondent

OTTAWA. — Federal machinery for facilitating the sale of live cattle and other agricultural exports is expected to be strengthened in the early future. The department of agriculture is likely to establish a branch in the United Kingdom and another in the United States. These would keep Canadian producers better posted on the needs of these markets. They would keep check on the quality of the cattle and other products exported. More attention will also be paid to the quality of the cattle, dairy and other products at the exporting end.

Some $300,000 was voted at the last session, to carry such plans as are now contemplated. Legislation will probably be required to place the matter on a permanent basis. The Natural Products Marketing Act is before the Privy Council. Even if it is ruled intra vires as it stands, important amendments are contemplated.

Bennett Laws Get Final Test In November

Future of Insurance and Farm Products Schemes Very Cloudy

From Our Own Correspondent

OTTAWA.—The fate of a number of social reform measures, of wide interest to the Canadian business world, will rest with the Judicial Committee of the Privy Council in the early future.

The Dominion and several of the provinces are carrying to London appeals against the rulings of the Supreme Court in June on the Bennett "reform" measures, including the Natural Products Marketing Act. Argument will take place in November, and it is hoped to have the decision shortly after the beginning of the next session of parliament.

The present government will not continue the Natural Products Marketing Act in its present form, no matter what the Privy Council ruling may be. If it is ruled to be intra vires of the Dominion, which seems very unlikely, it will be amended in order to drop several clauses which give arbitrary power to the central board, the Minister, and the local boards under the act.

Unemployment Insurance

One problem which may require serious consideration by the government is unemployment insurance. If the Privy Council reverses the ruling of the Supreme Court and finds the measure intra vires, there would be an implied obligation on the part of the government to implement this legislation now on the books. If this were to occur it is possible the government might merge the unemployment commission created by the former government and headed by Hon. G. S. Harrington, with the present National Employment Commission, and carry on study and investigations under that body.

No Action Likely

If the Supreme Court decision is upheld and the present statute declared invalid it is unlikely any attempt will be made at the present time to further legislation of this type. The reason for this is not that the present government is unsympathetic to unemployment insurance—on the contrary the party has repeatedly pledged itself to foster a plan of this kind in Canada—but simply that in the present critical state of the country's finances it is highly improbable any scheme will be initiated by Ottawa that would add a further burden to the present financial load that is being carried.

One other alternative if the present insurance act is declared unconstitutional would be to work out a series of provincial insurance schemes to be assisted by the federal treasury. However such a plan does not apparently commend itself to the government so much as taking steps—eventually—to amend the constitution so as to validate a measure such as was passed in 1935.

In that event provision would also be made so that no doubt existed as to the authority of the Dominion to create a national employment service. At present because of divided authority and responsibility the work of federal employment programmes is said to be severely handicapped. It is impossible to secure, through 9 provincial employment services, the necessary co-ordination for the best work.

Pitfield and Co. Surveys Canadian Banks Stocks

From Our Own Correspondent

MONTREAL.—Pitfield & Co., members of the Montreal Stock Exchange, have issued a booklet reviewing Canadian chartered bank stocks. Following a summary of the trend of bank earnings, the booklet gives a brief opinion on each stock. An appendix covers comparative statistics on the returns of each of the banks as at June 30.

Travellers

Lord Dudley Gordon, prominent British industrialist and vice-president of the British Engineering Association, paid a flying business visit to Toronto last week. He was a guest of C. L. Burton of the Robert Simpson Co. Ltd.

* * *

Hugh Molson, former member of the British Parliament for Doncaster, South Wales, in the National Government, is making a tour of Canada under the auspices of the National Council of Education of Canada. He will address Canadian audiences on British and foreign political and economic affairs. He is a member of a well-known Montreal family.

* * *

M. L. Douglas, vice-president and general manager of the John B. Stetson Co. of Canada, Brockville, Ont., was in Edmonton last week, on a business tour of Western Canada.

* * *

B. R. Hooper, London, Ont., assistant inspector of agencies, London Life Insurance Co., visited Edmonton last week.

* * *

Sir Herbert Marler, former Canadian minister to Japan, has returned to his home in Montreal after spending 7 weeks in a Vancouver hospital recuperating from a serious illness and successful operation.

* * *

Premier A. A. Dysart of New Brunswick was a visitor last week in Toronto where he consulted with Chester S. Walters, comptroller of finances for Ontario, on fiscal policies affecting New Brunswick.

* * *

Hon. George Colville, London, England, arrived at Montreal this week aboard the liner Duchess of York.

* * *

T. B. Chipman, Bridgetown, N.S., marketing director of the Nova Scotia Fox Breeders' Association, has returned to Canada from England.

* * *

Hon. J. L. Ilsley, K.C., minister of national revenue, was a recent visitor in Halifax.

* * *

Hon. G. Lynch-Staunton, Hamilton, Ont., returned to Canada aboard the liner Duchess of Richmond.

Hope To Sell $4-5 Millions To Russians

Cattle, Horses and Minerals Are Basis of Canadian Trade Hopes

COAL VALUATION

From Our Own Correspondent

OTTAWA.—With a 5-year trade embargo now removed, trade officials here are hopeful of finding a market for between $4 and $5 millions of Canadian products in Russia each year.

The major items would be cattle, horses, copper, lead and zinc. Horses would be for military purposes; cattle for breeding, and minerals for use in scores of manufacturing and other outlets.

Trade Needs Changing

It is admitted that few if any of these trade channels can be called permanent. But then nothing is very permanent in the new Russian picture.

For example, a few years ago there was a good market for farm implements. Today that market has disappeared for Russia is making her own. Eventually, Russia hopes she will not need to import cattle for breeding purposes but that day may be 10 or more years away and meanwhile, trade officials here think they see a profitable market for Canadian animals.

No Credit Involved

As yet no agreement of any sort has been reached with Russia with the exception of coal. However, negotiations are continuing along the same lines as those with the United States. In that country, Russia has agreed to purchase $30 millions of American products annually and in return is allowed to export certain raw materials to the United States.

No credits are involved, there being on one hand simply an agreed basis for Russian exports, and on the other, an undertaking by the monopolistic government agencies to purchase a stated amount of products and merchandise each year.

New Coal Plan

With removal of the embargo last month (it had been in effect since February 27, 1931), Russia may once more ship her coal, lumber, wood pulp, asbestos and other raw products to this country. Greatest interest centres around coal which prior to the embargo entered Canada in substantial quantities.

To safeguard other sources of supply, Russia has agreed to limit her exports of anthracite coal to Canada to 250,000 metric ton (approximately 275,000 short tons) in each calendar year. Russia has also intimated that "there is no intention of shipping coal for consumption in the Maritime Provinces"; that sales will not be effected through only one distributor, but by contract with several Canadian firms; that anthracite grades designated for exports will be the larger sizes—stove, egg, cobbles and a certain percentage of buckwheat; that the coal will be sold in Canada "at prices corresponding to the competitive prices of anthracite imported from other countries having due regard to the quality of the product."

Since Russian price levels and Russian currency are a difficult, if not impossible, basis on which to do business, the valuation used by Canada in appraising this coal for customs purposes will probably be the "fair market value" of Welsh anthracite with an adjustment for the relative number of B.t.u.'s in the 2 products, The Financial Post learns.

This basis of valuation is made possible through what is known as the "guess-work" clause (number 38-A) which permits customs officials considerable leaway in obtaining the fair market value of any commodity offering unusual difficulties such as Russian coal. This plan, it is felt, will obviate any criticism that Russian coal is being dumped into this country.

Negotiations are continuing between the 2 countries with a view to finding a satisfactory list of commodities that can be exchanged.

War Scare Helps N.B. Lumber Sales

From Our Own Correspondent

MONTREAL. — Reflecting England's reaction to the current European armaments race and the continued British building boom, demand for New Brunswick lumber by England importers over the next 12 months is expected to be more pronounced than for some time past. Not only is there an improvement in forward sales, but prices also have advanced so that dollar revenue of the operators is considerably larger on current contracts.

E. B. Eddy Not Sponsoring Big Housing Programme

Considerable press publicity has been given to the rumors that the E. B. Eddy Co. of Hull, Quebec, would build 75 houses for its employees at a cost estimated at between $200,000 and $250,000. The Financial Post understands the company has no intention of making an investment of this nature which would be outside of its own business.

It is understood that the Eddy Company would like to see outside or local capital interested in the building of a number of moderately priced houses conveniently close to the company's Hull factory. But no housing scheme is contemplated by the company itself.

The only recent construction of the E. B. Eddy Company has been one amounting to approximately $250,000 in the extension of its sulphite plant by adding 2 additional digesters and the necessary digester housing and supplementary equipment.

John A. Lang Stock Listed on Toronto Board

Common shares of John A. Lang & Sons, Kitchener leather manufacturers, have been called for trading on both the Toronto Stock Exchange and the Montreal Curb Market. The company has 100,000 common shares outstanding.

The company was operated as a private concern until recently when a public offering of a block of 59,500 shares purchased from private sources was made. An initial dividend of 17½ cents a share was paid on Oct. 1.

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MONTREAL

What's What in Advertising

By TORY FLEMING
Editor, Canadian Advertising

Chrysler's 1937 offerings will break in November magazines in the most spectacular 4-color advertising the company has ever published, A. M. Miller, director of advertising for Chrysler of Canada, tells The Financial Post. Every daily across the country and a large number of weeklies will also carry the announcement. Chrysler of Canada's magazine and newspaper appropriations will be considerably in excess of last year.

* * *

Clare Bros. & Co. Ltd., Preston, Ont., have placed their advertising account with the F. H. Hayhurst Co., Toronto. Copy has been released to farm papers on the company's line of stoves and a select list of Ontario dailies will carry furnace advertising.

* *

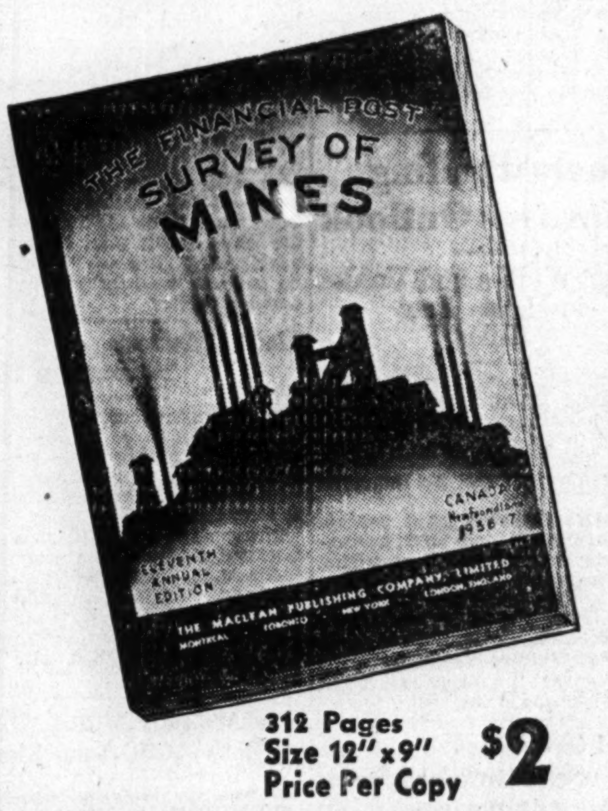
Programme for the annual meeting of the Association of Canadian advertisers, Oct. 22-23 in Toronto, will include discussion of negotiations with the Canadian Daily Newspapers during the past year and a vote of members on a statement of policy regarding agency franchise regulations, as forecast in this column a month ago. A session on media will examine a breakdown of circulations and a comparison of weeklies' milline rates. The new Canadian Broadcasting Commission and the future of radio advertising under its régime will be discussed, as will the matter of revised circulation forms for trade and technical publications. A report of the A.B.C. annual meeting will be heard. A. B. C. members will spend an afternoon conferring with agency representatives on matters of current policy.

* * *

A campaign for Lymoids, product of Rolls & Darlington, Toronto, will be released by the F. H. Hayhurst agency, recently appointed to handle the account. Advertising starts in November in a few Ontario metropolitan dailies, running through to March at twice-weekly intervals.

* * *

John Labatt Ltd., London, announces a novel radio programme over CKAC, Montreal. To be heard nightly at 10 p.m., the programme is called "The Life of the Party" and combines vocal and instrumental music with interviews with personalities of local and national interest. J. Walter Thompson Co. directs.


THE FINANCIAL POST
SURVEY OF MINES
CANADA Newfoundland 1936-7
ELEVENTH ANNUAL EDITION
THE MACLEAN PUBLISHING COMPANY, LIMITED
MONTREAL TORONTO NEW YORK LONDON, ENGLAND

Advance Sales Over 100% Ahead of Last Year!

THAT IS THE STORY of the pre-publication sale of the eleventh annual edition of The Financial Post SURVEY OF MINES, 1936-7, which makes its appearance this week.

Such demand is unprecedented. Never before have advance orders absorbed nearly three-quarters of an entire edition, which is the case this year.

This means that if you would avoid disappointment you will order your copy of this valuable book without delay. The recent 1936 edition of the Survey of Corporate Securities was completely sold out. Present indications point to a similar experience with this year's SURVEY OF MINES.

312 Pages
Size 12" x 9"
Price Per Copy $2

THIS NEW BOOK WILL TELL YOU:
Where the mines are located
Who own them
Who operate them
Their financial structure
Development results
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Price range of stock
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Maps of areas and properties
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Attention!
INVESTORS
MINE OPERATORS
MINE EXECUTIVES
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and SUPPLY HOUSES

Here are 312 pages, size 12" x 9", teeming with complete facts about the Mines and the Mining Industry of Canada and Newfoundland. Every operating mine and every new development is thoroughly covered down to the last detail.

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Week in Mining

Free Exchange of Gold Proves Metal's Utility

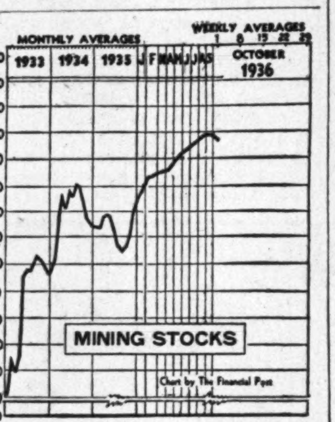
But Otherwise Latest Development Has Little Bearing on Market Picture

If the free interchange of gold between the governments of Great Britain, United States and France means anything to the gold stocks, it is merely an accentuation of the fact that gold still remains the principal international standard of value, despite the fact that most of the countries of the world are off the gold standard. The whole devaluation move does not, despite the insistence of certain mining brokers, necessarily herald a higher price for gold, and it would be interesting to see the steps by which these unlisted brokers arrived at such a conclusion.

The broad background of the mining market remains, therefore, little changed. After a summer which must have satisfied the heart of the most aggressive mining man, the spotlight continues to swing away from the mining market. Offsetting this trend partially are the individual centres of strength particularly noticeable among the junior golds.

The main interest of mining investors now appears to be in estimating how far the general reactionary trend will carry the market index down. There is comfort in the thought that all statistical data indicate that the retrogression should not be particularly sharp. Earnings of most producers are higher than a year ago; total production is much higher; there are more producing properties, and development work has, in the past 12 months, bettered the underground position of scores of prospects.

Thus, while the market has probably crept ahead of property development in the past summer, the property picture has nevertheless improved, and the market has ample basis for finding a level measurably higher than that of a year ago.



Moneta's Drilling

REGARDLESS of the broad trend of the market, the public has apparently lost none of its love for drill core assays, a love which has been responsible for many a sensational market climb this summer. In the case of Moneta Porcupine, however, which last week held the spotlight in the juniors, the difference was that the drilling has been complete and thorough. At press time, the report on No. 11 hole showed an average of $27.50 across a true width of 36 ft., about 100 ft. below surface. This pretty well completes the drill picture at this property, and shaft sinking will now start. In the meantime, the drills appear to have indicated an ore body some 300 ft. in length, and about 11 ft. wide, grading better than $15 per ton. Underground work will, of course, tell the story.

The dramatic feature of the Moneta development is that the property lay idle for about 15 years, right under the nose of the mighty Hollinger.

* * *

Showing Their Hand

ONE of the biggest contributions toward sane mining investment made by the Ontario Securities Commission was the recent regulation under which brokerage concerns and promotional houses are compelled to state in their literature the name of any stock in which they have a salesman's interest.

This is not an unreasonable request to make of these houses. In the past, one of the greatest cankers in the mining game has been tipster sheets which, masquerading under guise of disinterested news organs, have insidiously pushed the sale of some particular stock.

This sore has now been virtually removed, and it will be noticed that prominently displayed on the front of all such house organs in Ontario, are such phrases as "The publishers are financially interested in the sale of stock in ——— Gold Mines."

Mining should not have to resort to undercover methods of financing, and the new regulation is a step in the right direction.

* * *

Access to Chibougamau

MINING interests in the big Quebec Chibougamau field, together with delegates from the municipalities in the Lake St. John district, have petitioned the Quebec Government to build a 130-mile motor road into the Chibougamau area.

The question of establishing access into this interesting field has long been debated, but no concrete action has been taken. Plans of the C. P. R. to build a line into the field were spiked by the Canadian National, who, however, are only taking their line as far as Senneterre.

It has been argued that to date, the Chibougamau field has been notable chiefly for the promotions made in its name. This is hardly a fair criticism, inasmuch as some of the largest and most respected mining concerns in Canada are active in the field.

The biggest criticism that can be made of the Chibougamau development is the lack of tangible data bearing on actual development results. But the very fact that the area has been denied proper means of transportation is responsible for this situation.

The Canadian Pacific Railway owns controlling stock interest in Consolidated Mining & Smelting Co., which is developing the most advanced property in the field. If the C. P. R. considered that results to date warranted construction of a line into the field, it is a fair assumption that a gravel road, which would cost perhaps about one quarter as much, would warrant the consideration of the governments.

Both provincial and federal governments have recently shown they are receptive to the idea of road construction into mining fields. The chances of Chibougamau gaining the long sought road appear brighter now than ever before.

Canada's 125 Gold Mills Treat Record Tonnage

The 125 gold-milling plants in operation throughout Canada at the end of September were treating a total of close to 35,000 tons of ore daily, the highest daily tonnage in the history of the industry. This is considerably more than double the rated capacity of the milling plants in operation at the close of 1931. More than 20 new properties have entered production since the beginning of the year, with daily capacities ranging from 25 to 500 tons and higher per day. Between 10 and 15 others have milling plants under construction, several of which will be in operation before the close of the year.

As a result of this increased output, a steady improvement in the volume and value of gold output has been noted. According to a statement recently issued by Hon. T. A. Crerar, Minister of Mines, figures for the first 6 months of 1936 are at a new high level for a half-year period. Gold production during this period totalled 1,679,200 fine ounces worth $62,099,100, compared with 1,509,500 fine ounces worth $52,984,200 in the corresponding 1935 period. Most of the gold producing provinces contributed to this increase, the most notable being Quebec with an increase of $4 millions over last year's figure. Ontario's output increased in value $3 millions. British Columbia's output increased in value $1.2 million. Manitoba and Saskatchewan combined with an increase of $300,000; Yukon with $226,000 and Nova Scotia with $66,000.

13-Year Record

Indications are that the latter 6 months of this year will show an even greater improvement. For the 8 months ending August, Ontario reports an increase of $4.3 millions in the value of output over the corresponding 1935 period. Quebec's output for the 7 months ending July is valued at $13.2 millions, comparing with $8,572,000 for the 1935 7-month period.

It has been estimated that the value of gold output in 1936 will exceed $135 millions.

Thus, Canada for 13 successive years has established a new record in the annual value of its gold output.

Ronda Gold Purchases Group to South and West

From Our Own Correspondent

SUDBURY.—To protect the dip of its vein system, Ronda Gold Mines, in the West Shining Tree district, has announced the purchase of an additional 120 acres to the west and south. Albert W. Johnson, New York, chairman of the board of Teck-Hughes Gold Mines; George C. Miller, Buffalo, director of Dome Mines, and Teck-Hughes, and Tom R. Jones, New Wilmington, Pennsylvania, owners of Sharon Gold Mines, have acquired a substantial interest in Ronda Gold Mines through the sale of the holdings to Ronda. In addition, it is announced, Ronda Gold Mines has purchased outright the Mickel claim adjoining on the west.

FINDS GOLD, LAKES

Dave Foster, president of Manitoba's Prospecting and Mining Association, who returned to Winnipeg from a season's prospecting in the little known Sachigo River area in Ontario near the Manitoba boundary. In addition to several gold deposits of interest, Mr. Foster has, in his travels in a virtually unexplored field, discovered several new lakes.

Hopkins Renews Gold Lake Deal

Work to Start Again on Manitoba Property

From Our Own Correspondent

WINNIPEG.—Gold Lake Mines is to resume operations immediately, according to information given by the directors in a brief statement, following negotiations with Percy E. Hopkins. Gold Lake closed down a short time ago when W. C. Pitfield & Co. and the Anglo-Huronian decided not to proceed further with the options secured from Mr. Hopkins.

Several hundred feet of underground work had been done on 2 levels and a 3-compartment shaft sunk to 300 ft. The work, however, in the opinion of the holders of the option was not sufficiently encouraging to proceed. All options up to January 10, 1937, have been taken up.

Mr. Hopkins was in Europe at the time and immediately on his return to Canada visited the property and has notified the Gold Lake Co. he will carry on the work and provide the necessary money, on practically, it is understood, the same original option terms.

Dr. W. L. C. Greer has been appointed engineer and geologist in charge under the direct supervision of Mr. Hopkins. There are several thousand dollars worth of supplies and equipment at the property but a rapid check up is being made as to requirements over freeze-up. These will be shipped in immediately and a crew is expected to recommence work this week. The decision to continue the work was received with considerable gratification in Winnipeg.

Moneta Drilling Improves Outlook

Better Widths and Values in Last Few Holes

From officials of Moneta Porcupine Gold Mines, the property of which has attracted considerable attention in recent weeks, The Financial Post learns that recent drilling results indicate the improved values.

Hole No. 6 showed 3.8 ft. averaging $10.26; No. 7 gave 1.8 ft. averaging $3.15; No. 8 gave 5.7 ft. averaging $20. This hole was spotted 90 ft. below No. 1. No. 9 hole gave a width of 26.4 ft. averaging $12.84, spotted 290 ft. from surface below No. 1. Hole No. 10 is being spotted below No. 4 and after that it is likely that it will start along the strike again.

Lebel Oro Mines Sells Optioned Stock

From Our Own Correspondent

MONTREAL.—Lebel Oro Mines has advised the Montreal Curb Market that 21,500 shares at 15 cents a share, and 21,000 shares at 20 cents a share have been taken up under the company's option agreement.

A total of 447,250 shares now remain under option as follows: 318,500 shares at 15 cents a share; 28,750 shares at 20 cents a share and 100,000 shares at 25 cents a share.

Engineer Flays Blue Sky Laws As Dangerous

C.I.M.M. Officer Brands System Bureaucratic and Un-British

FAVORS BOARD

From Our Own Correspondent

VANCOUVER. — British Columbia's Securities Act was severely criticized and drastic amendments requested in a letter sent to the Provincial Government by W. G. Norrie-Lowenthal, chairman of the B. C. division of the Canadian Institute of Mining and Metallurgy.

The act was condemned as "dangerously bureaucratic in character and un-British in principle" and it was suggested that the administration of the act be placed in the hands of a board including a competent mining engineer and an expert accountant, as well as a chairman.

Mr. Norrie-Lowenthal told the institute at its annual sessions here he had sent the letter to Attorney-General Gordon Sloan, who recently announced he had not decided whether or not to make any change in the law, over which considerable controversy has raged. Brokers generally favor the present act, believing it provides sufficient safeguards.

The institute's letter voiced the belief that more satisfactory results in the direction of preventing unethical promotional activities could be attained under the provisions of the Companies Act provided that act was already enforced.

The letter went on:

"The serious weakness of the Securities Act is that arbitrary and discretionary powers are vested in one official of the government." This, states the letter, "places on him an unfair responsibility, since he must be equipped with expert knowledge in the legal, financial and mining fields. Few men possess such qualifications.

"By reason of this weakness in the act, a number of serious mistakes have been made that lay the administration open to the charge of inconsistency. In some cases applications for registration have been refused when they might have been granted. In others, concessions made that were unjustified, to the detriment of the public."

The decision of the administrator that in most cases title to a property must be established before applications can be accepted, is considered unsound. Its effect, it is claimed, is that money which might advantageously be spent in determining the value of property is spent in premature acquisition. A further result, the letter continues, is that it deprives the original owner of the opportunity of reacquiring title should the company discontinue operations.

Harwood Lake Drills Will Now Go to Depth

From Our Own Correspondent

SUDBURY.—With 3 major veins opened up, officials of Harwood Lake Gold Mines have been sufficiently encouraged to proceed with a programme of deep diamond drilling, and the company has purchased an outfit which is now on the property, and 10,000 ft. of drilling will be inaugurated to cut the sulphide vein at intervals at the 1,000-ft. horizon. This vein has been opened for approximately 3,300 ft., according to the management.

Five diamond drill holes were put down to 500 ft., where true vein widths were from 27 to 57 ft., one drill hole showing free gold. An incline shaft has been sunk 20 ft. on a white quartz vein some 300 ft. south of the sulphide vein. The third showing is 1,800 ft. south of the white quartz vein. Here a blue quartz vein, from which gold may be panned, has been exposed to a depth of 50 ft.

Sladen Malartic To Deepen Shaft

Development work at the property of Sladen Malartic on the 200-ft. level is now completed and the shaft is being sunk an additional 300 ft. with new horizons at 350 ft. and 500 ft. from the surface.

The work on the 200-ft. horizon has disclosed a blocked out ore area of 13,500 sq. ft. determined by 8 crosscuts and drifting, according to Andrew Walz, consulting engineer. The average grade of this ore would not be less than $8.50, Mr. Walz states.

East Malartic Mines Lists 7,000 More Shares

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading 7,000 additional shares of East Malartic Mines. These shares have been taken up at 60 cents a share under the terms of the option agreement.

East Malartic now has outstanding 1,520,746 shares in addition to which there are one million shares in escrow and 379,254 shares still under option as follows: 129,254 shares at 60 cents a share and 250,000 shares at 80 cents a share.

At the Mines

Algoma Mining & Finance Co.—Reports that a block of 100,000 shares was underwritten at 7 cents per share payable within 30 days, and an option was given on 130,000 shares at 8 cents per share for 60 days, by an agreement dated Sept. 22 last. A drill has been moved on to the property in the Little Long Lac area.

* * *

Brooks God's Lake—Carrying out the recent recommendations of A. F. Elliott, diamond drilling will be started on the property of Brooks God's Lake in the God's Lake area of Manitoba.

* * *

Capps Gold Mines—Construction of a 100-ton mill for this property in North Carolina has been recommended by J. E. Houston, consulting engineer. Directors are understood to be planning an immediate start on this work.

* * *

Consolidated Gold Alluvials of B. C.—reports that September output from the Sanderson Mine amounted to 463 ounces of gold valued at $14,353. Recoveries in the first half of the month were lower totalling only 158 ounces but the last half gave normal results.

* * *

East Malartic—J. P. Norrie reports that the east drift on the 175-foot level on the No. 1 shaft now shows 115 feet of ore averaging $8 over a 20-foot width with high-grade ore still showing. The crosscut on the 325-foot level is now entering this ore. In the No. 2 shaft a grade of $10 over a width of 10 ft. has been obtained from the surface to the first level.

* * *

Halliwell Gold Mines—Has under consideration the immediate sinking of a shaft, a move which is deemed justified by recent drilling results. The company reports that it has adequate funds for this shaft sinking, having cash, call loans, and accounts receivable of about $150,000 in hand. There are, in addition, 1,000,000 treasury shares still unissued, but optioned at various prices.

* * *

Hard Rock Gold Mines—Reports to the Toronto Stock Exchange that the Oct. 1 installment, comprising 50,000 shares at 65 cents per share under the option agreement dated Feb. 18, 1936, has been taken up. Balance of option comprises 50,000 shares at 65 cents and 99,995 shares at 75 cents per share with payments provided monthly.

* * *

MacLeod Cockshutt Gold Mines—Will offer rights to shareholders of record Oct. 15, entitling them to purchase 400,000 additional treasury shares on the basis of one new share for 6 held, at $3 per share. The new stock will be paid for in 3 installments, and, if fully subscribed, will net the treasury about $1.2 million, sufficient to bring the property to production.

* * *

McMillan Gold Mines — Reports that the option to purchase 200,000 shares at 10 cents per share by Sept. 22, under the agrement dated July 24, 1936, has not been exercised and the option is in default. The company advises that an extension of time will probably be granted for payment.

* * *

Margaret Red Lake—A. L. Reading geologist, reports that the third discovery of recent weeks has been opened up on this property for a length of 750 ft., showing a continuous width of from 20 to 35 ft. of vein matter. This discovery was made at the north end of the property.

* * *

Vidette Gold Mines—Reports September production from 1,275 tons milled was 1,014 oz. of gold, 1,500 oz. of silver, and 4,500 lb. of copper, having a total value of $36,400. This represents a sharp increase over August production which had a total value of $21,793. Total production from April 1934 to July 31, 1936 was valued at $442,000.

Confirms Unusual Nature Of Brae Breest Discovery

Enlargement of the surface crew and further shallow diamond drilling to be followed by deeper drilling on the porphyry mass discovered on the Kenora property of Brae Breest Gold Mines Ltd. are among recommendations submitted to the directors of the company by H. M. Whimster, consulting geologist for the company.

A geological survey of the property has been completed and the report of Mr. Whimster confirms the unusual character of the porphyry discovery made some months ago by Jack Nutt. Nutt's original sampling at the point of discovery, and values obtained, have been confirmed and approximately 1,300 ft. of diamond drilling to date has revealed encouraging results.

Referring to the Nutt discovery, the report states that "the occurrence is an unusual one in this section of the country and no previous experience is of assistance in dealing with it. However, it has certain characteristics which are extremely encouraging."

Falconbridge Power Break Speeds Change

Mining Now Resumed at Full Force — Expansion Continues

FIX UP EQUIPMENT

From Our Own Correspondent

SUDBURY.—After interruption of mining operations due to destruction by fire of the Stinson plant of the Ontario Hydro-Electric Power Commission, Falconbridge Nickel Mines is now receiving its full needs in power.

Last week the rehabilitated plant at McVittie, on the Wahnapitae River, was again placed in service after reconstruction of the dam and forebay. Power from this source added to a temporary supply received from the Abitibi plant at Espanola, over a line owned by the International Nickel Co., has enabled Falconbridge to resume its mining at full force.

The company takes approximately 4,000 horsepower from the Hydro-Electric Commission's Wahnapitae plants, together with over 1,000 horsepower from the Hydro's Abitibi Canyon line, the latter being used exclusively in operations from the new No 5 shaft.

While actual mining and smelting operations were suspended through interruption of the power supply, Falconbridge management took advantage of the occasion to effect certain changes in smelter equipment, part of the expansion programme, which were not to have been made until later in the year when all mining operations were scheduled to be transferred to the new No. 5 shaft, and mine and smelter production augmented by 25%. It is estimated it will be around the first of the year before the increased facilities are in full operation.

Stewart Abate To Renew Work

Will Deepen Shaft on Property in Beatty-Munro Area

Arrangements are now being made for the resumption of work on the property of Stewart-Abate Gold Mines, located northeast of the Noranda option and immediately west of Edge-Creek in the Beatty-Munro gold field of Quebec. It is expected actual work will get under way within the next few weeks.

Under earlier operations, stripping and trenching on the known surface vein were carried out, and a series of test pits put down. The latter is reported to have exposed the vein for a length of 110 ft. to a depth of 5 ft.

A shaft has been sunk to a depth in excess of 100 ft. and under the proposed campaign, the shaft will be deepened and lateral development work done.

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Higher Output and Price Combine to Aid Smelters

Increased production, plus a higher market price for most of its products, will combine this year to increase earnings of Consolidated Mining & Smelting Co. by a substantial figure over last year's earnings.

Exclusive of copper, cadmium, fertilizers and certain other by-products, The Financial Post estimates, on the basis of official production figures, that gross production for the first 9 months of this year would have a value of around $20,295,000 as compared with about $17,800,000 in the first 9 months of 1935.

The third quarter production figures released by the company show that Smelters is currently producing greater quantities of all metals, with the exception perhaps of copper. Lead continues to be the greatest source of revenue, with zinc, silver and gold following in order. While the volume of silver has increased, lower prices result in a lower value. Not shown in the 9-month report is production of the by-products mentioned above. In this regard it is generally known that Consolidated Smelters is meeting with considerable success in marketing its fertilizer against world competition. While the Canadian west, because of drought conditions, remains still virtually a potential market only, Smelters is understood to have considerably enlarged its foreign market for this by-product, production of which first started in 1931. In addition, Smelters income should be augmented by the recent commencement of metallic sulphur production.

Looking farther ahead than this year, the revenue from several outside properties will in all probability soon make themselves felt in Smelters' income and surplus account. Chief of these are the developments at Buena Vista, now being prepared for production at 500 tons per day; the Chibougama development and the development at Lake Athabaska.

Expenditures for 1936 remain an unknown factor, and it is impossible to arrive at a workable estimate of earnings per share. It appears obvious, however, that the 1935 figure of $6.61 per share, on the old stock basis, will be passed this year, after allowing for the 5 for one split in the stock instituted last spring

In the following tables, value of output, which does not, of course represent sales, estimated average prices for the year have been used:

9 Months Production (Ended Sept. 30)

	1936 Volume	1936 Value $	1935 Volume	1935 Value $
Lead (tons)	134,429	9,947,746	120,846	7,492,45
Zinc (tons)	91,765	5,689,430	88,478	5,208,8
Gold (ozs.)	49,757	1,750,950	46,448	1,627,53
Silver (ozs.)	6,459,636	2,906,836	5,638,366	3,653,66
		20,294,962		17,982,331

Ask Quebec to Build Road Into Chibougamau Area

MONTREAL.—Representatives of the mining interests in the Chibougamau area, as well as delegates from the municipalities in the Lake St. John district, have petitioned the Quebec Government to build a 130-mile motor highway into the Chibougamau area.

The question has already been considered by the government and the delegation are hopeful the government will accede to its request.

PLAINS PETROLEUM CORPORATION LIMITED
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EXPLOSIVES

QUEBEC *Yields up* HER MINING RICHES—

Quebec stands as the second Province in Canada in the production of gold, producing some 470,471 fine ounces, valued at the sum of $16,555,874.00 for the year 1935.

AS far back as one hundred and thirteen years ago Quebec produced gold. The production, however, consisted only of the small quantities recovered in the treatment of the lead and zinc ores of the Notre Dame-des-Anges district and from the gravels of the Chaudiere River.

After gold was found at Kirkland Lake, Ontario, in 1911, men pushed their canoes up the rivers which ran north instead of south and finally found themselves on Lake de Montigny in the Province of Quebec, located the district which now holds the Siscoe, Greene Stabell, Sullivan, Lamaque and other mines. Thus saw the first discovery of the great gold-bearing deposits of Northwestern Quebec. Then came the Great War. In 1921, Edmond Horne staked the mineral showing which afterwards became Noranda Mines Limited, the great copper-gold producer of Quebec.

The staking of Noranda Mines rivetted the attention of the world on Northwestern Quebec, and created another great mining rush. For hundreds of miles east from the Ontario-Quebec boundary, men pushed their canoes up and down the slow streams of Northern Quebec and across its flat lying lakes, hunting for copper and gold, and discovery after discovery was recorded. The activity resulted in serious interest being taken in the gold deposits round Lake de Montigny which had been staked in 1911, and they emerged from the coma into which the Great War had plunged them.

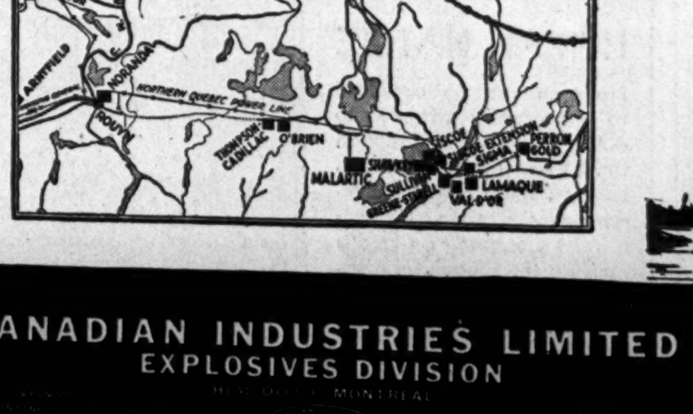
At this time, the aeroplane became the best means of transportation into the mining fields, giving to the prospector an important aid in conquering vast distances in a short time.

In the year 1911 only 613 fine ounces of gold were produced. This had a value of $12,672.00. According to recent figures Quebec's gold production for the month of June, 1936, was 58,267 ounces valued at $2,044,589.03.

We are pleased to be able to co-operate with the mine owners and prospectors in Quebec's rich mining heritage in supplying C-I-L Explosives, thus enabling them to carry on their work more efficiently and at a greater speed.

Magazines are maintained across the Dominion to render the fastest possible service in the delivery of C-I-L Explosives.

Our Technical Department is ready to assist on any problem relating to blasting operations.



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**All values obtained by channel samples from the back, by, and under the direction E. S. McCARTHY, Mine Superintendent. Assays by Milton Hersey Co. Ltd.*

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As this issue has been underwritten, the company has already received payment or commitment to pay from the underwriters, consequently the proceeds of this issue will not go into the treasury of the company whose securities are hereby sold to you. HRB2

All Sections Of New Survey Show Growth

Eleventh Annual Survey of Mines Crystallizes Record Year

Up to Sept. 1, 1936, Canadian mining companies paid a grand total of $878,632,000 in dividends. According to information contained in the new 1936-1937 Financial Post Survey of Mines, 1936 will be the biggest dividend year on record. In 1896 the first recorded dividend was paid by a Canadian mining company.

The new Survey of Mines, just off the press, reflects, very tangibly, the fact that mining has grown to the stature of one of Canada's key industries in the past year. In the 11 years of continuous annual publication, the Survey of Mines has never before recorded such widespread activity in the field it covers so comprehensively.

Over 2,000 Companies Analyzed

In the current edition, over 2,000 active companies are analyzed in detail. While a few of the companies formerly in the active list have been dropped from the index as definitely inactive, a host of young concerns, with all the virility and promise which youth implies, have sprung into being, and have served to augment the task which The Post's Survey has tackled for so many years.

In every department of the survey, this intensified activity is noticeable. In addition to the companies covered in detail, the other departments of the book record, in their own field, the results of a year of unprecedented activity, on the 2 fronts—the market and the mining fields.

In the section covering price ranges of stocks, the ups and downs of every listed mining stock are given from 1929 to September, 1936. With few exceptions, these stocks all show new highs in the 1936, thereby reflecting the increased valuations which the public has placed on mining stocks.

Number of Plants Increases

Considerable space is devoted to a list of principal mining and milling plants in Canada. Here again, growth is the principal feature, and the number of plants recorded, especially among the gold mills, has increased tremendously over previous years. In addition to listing the name of the company, this compendium gives the address of the company, the location of the mill, the name of the mine manager or comparable official, and the rated capacity of the plant. Plants under construction, or definitely proposed, are also included in this rapidly growing list.

Then comes the section of dividends, which shows disbursements made by every mining company in the last 2 years, together with a cumulative total since 1896.

Following this is a table on production, giving the Canadian output of every metal, non-metal, fuel, and structural material produced in Canada, quantity and value, since 1932. Additional tables, showing production by provinces, complete the record of growth.

An 8-year coverage on the price range of individual metals also provides room for encouragement. For most metals, the year 1932 represented the lowest level of prices. Since that year, the table shows a general improvement.

Details of commission rates on Canadian exchanges, together with stock transfer taxes in the various provinces, conclude the statistical section of the book.

Maps Show Locations

It is noticeable that this year the number of mining areas in which public interest is keen has grown with the rest of the industry. The 1936-1937 Survey of Mines includes separate maps of some 25 active mining areas, includes a map of Canada showing the location of the principal fields. Since most mining camps have grown in the past year, the new maps have been designed to cover more area, and include the mining companies on the outlying sections of the main camp.

The price of the volume, which has over 300 pages 9 in. x 12 in. in size, is $2, postage paid.

Nugold Installs Mill of 25 Ton

Interesting Ore Picture Reported from N. S. Property

Nugold Mining Corporation which is operating the Blockhouse Dome Mine in Lunenburg County, Nova Scotia, has started drifting on the 200-ft. level simultaneously with continuing the shaft on to the 300-ft. horizon.

At the same time the company is going ahead with the installation of the 20-25-ton test mill for treating development ore on the 200-ft. level. It is expected that this machinery will be turning over by the end of October.

A recent report upon ore reserves by J. P. Messervey, Deputy Inspector of Mines for Nova Scotia has just been received at the head office in Toronto and shows a total of 119,000 tons of ore above the 200-ft. level over a length of 2,000 ft. on the Prest vein which is estimated at $20 per ton. This would give a total value of $2,380,000. Beyond the 400- and 1,000-ft. levels a total of 180,000 tons of $20 ore over the same length is calculated to have a value of $3,600,000. This would bring the total ore reserve on the Prest or main vein above the 1,000-ft. level for a length of 2,000 ft. to a value close to $6 millions.

Lake Rowan Lets Drill Contract

H. M. Porteous, vice-president and managing director of Lake Rowan Gold Mines, announces that a resident engineer has been appointed and is leaving immediately for the property in the Red Lake district. In addition the company has a contract for 5,000 ft. of diamond drilling. Mr. Porteous claims the company is amply provided with funds, having over $100,000 on hand with no current liabilities. Development work is now in progress.

"Bill" Writes from Jackfish Of Fish That Aren't Suckers

Have you heard from Bill recently?

If not, you have yet to learn of the newest stunt in mining promotion and one which takes the blue ribbon for ingenuity and subtle psychology.

No one knows Bill, but probably thousands of people in Ontario have received postcards in the last few weeks signed "Bill," and mailed from Jackfish, Ont. On the face of the cards which come in all colors and various qualities, are scenes of mining development on a gold property in the Jackfish area.

One scene shows the "Trans-Canada highway passing through property of ——— Mines." Another depicts a crew of men on surface "Clearing off one of the veins at the ——— Mines' property," and still others show scenes that indicate the gold property to be a beehive of activity.

On the address side is the name and address, with a message that may or may not mention the "mine." In one case, a Toronto woman received a card bearing a message scrawled in ink stating that Bill had:

"Just visited this property. It looks like a good thing. You should get in on it," and since the woman happened to have a brother named Bill, she spent an evening attempting to figure out how and why he happened to be at Jackfish, Ont., many miles from Toronto.

The Indirect Approach

Another Toronto businessman whose Christian name happens to be Charles, received a card addressed to "Dear Charlie," stating that Bill was "catching lake trout a yard long. Better try your luck up here."

He too spent some time in mentally tabulating the number of "Bills" of his acquaintance, but the only clue was the name of ——— Mines, prominently printed on the picture side of the card.

Still another card, addressed to a Toronto man whose name had appeared on the mailing list only with his initials and last name, was more formally addressed to Mr. A. H. ———. It carried the message that "Bill" had "landed here a week ago. Mud a foot deep. Fish a yard long. Lakes a mile deep. Rock seems to meet the sky."

The mysterious "Bill" remains anonymous, despite his mailing list, but no one can fail to note those scenes of buzzing activity on the property of ——— Mines, which, of course, is the only reason why the cards are mailed.

Mining Enquiries

Premier Gold Mining Co.

Affairs of Premier Gold Mining Co. have, according to your paper, undergone a considerable change in the past year. In view of these changes, I would appreciate hearing from you as to your present reaction to this stock.

Premier Gold Mining Co. Ltd. is now, as you know, principally a holding and exploration company. Work on various properties is proceeding and possibly the most significant indication of the company's affairs is that on September 4 it declared another extra dividend of one per cent per share along with the regular dividend of three cents. Last year the company earned 35 cents a share and paid 14 cents a share in regular and extra dividends, earnings having exceeded dividend payments for the first time since 1929. These earnings, however, were largely due to a profit of $960,664 realized from the sale of Tarkwa Gold Areas stock and without that profit earnings for the year would have amounted to approximately 14 cents a share.

Although the earning's record of Premier has not been impressive in recent years and the parent property is likely to show increasingly smaller results, it should be noted that Premier in 1935 transferred its operating property to Silbak Premier Mines Ltd., forming a merger of 3 adjoining properties. All profit from the Premier Mine until May 15, 1937, however, will be paid direct to the company. The merger will likely make new ore bodies available, but on the other hand, after May, 1937, the company will receive only one-half as its share of the proceeds.

Macassa Mines

I have held on to my Macassa stock for some time, and am wondering whether I was wise in so doing. What is your opinion of this company's future?

Macassa Mines, most westerly producer in the Kirkland Lake area, is adhering to its policy of producing about $90,000 gold per month to maintain present dividends of 15 cents per annum and to continue building up ore reserves as far as possible. Recently, Macassa has had better success in developing ore reserves which rose from 71,990 tons at March 31, 1935, to 142,347 tons in 1936, equal to 2 years supply at present rate of consumption. This ore averages about $15.75 per ton and, in addition, there are unstated blocks of lower-grade ore and partially developed higher-grade ore which are not included in the above estimate. The most important achievement in the last year has been the disclosure of a large, higher-than-average-grade body of ore on the new 3,000-ft. level. New levels are being opened and a development campaign at depth is being carried out. In a general way the mine may be said to have shown improvement as depth is reached, but there has been a slight decrease in average recovery per ton.

Bullion production last April was $105,399 and it has subsequently dropped very slightly month by month until in August the figure was $101,813. Average recovery in August was $17.30 compared with $18.30 last April. Average recovery for the 6 months ended June 30, 1936, was $17.86.

U. S. and Gold Stocks

I have been told that United States investment companies have been liquidating their holdings of Canadian Gold stocks Why are they doing this? Would this be a hint for the rest of us?

It is quite possible some of the large investment firms in the U. S. liquidated holdings of senior Canadian gold stocks, but so far as we know there is no special significance in such a movement. It is quite possible that the continued advance of Canadian golds has caused U. S. holders to take profits or, in case of investment trusts, appreciation in the price of Canadian golds may have necessitated readjustment of their portfolios to comply with fixed ratios of various types of securities.

Red Lake Gold Shore

Some months ago you reported favorably on developments at Red Lake Gold Shore Mines. Since that time, I understand it has come into production. What is the present outlook for this company?

Red Lake Gold Shore Mines is a producing gold mine, operating at about 150 tons daily and officials are now considering doubling the present mill rate. Average milling rate is slightly below 150 tons, which is capacity, but the company is gradually increasing milling operations to the existing capacity and millheads are running around half-an-ounce gold per ton, it is reported. Until absorption is completed a portion will be tied up in the circuit. Should the mill be increased to 300 tons capacity, as now appears probable, the inference is that the company is meeting with success in developing new sources of commercial ore underground. The company has made favorable progress in recent months, particularly after reaching the producing stage, and the outlook for the company appears favorable.

Development of the property to date has opened up ore on 4 levels and prospecting on the surface is believed to have found the extension of the Robinson vein recently. This latter find is about 225 ft. from the drift face on the 300-ft. level. Plans call for sinking the shaft to develop 2 more levels and milling plans would seem to depend upon the successful result of this downward extension of development.

Madsen Red Lake

Madsen Red Lake, I understand, has been getting some good results recently. As a subscriber, I would appreciate it if you would give me some details of the current picture at this property.

The new vein at Madsen Red Lake Gold Mines was recently the subject of an official report by the Madsen managers (Howey Gold Mines Ltd.), in which it was stated the Austin vein, as the recent discovery is known, was an ore body about 1,200 ft. long, ranging from 8 to 36 ft. in width and with an average grade of between $5 and $6 a ton. Report stated that in the event of further investigation proving selective mining methods applicable to the ore body, a somewhat higher grade might be expected.

The recent report indicated possibilities of 2 million tons of ore to a depth of 1,000 ft., with an average grade of between $5 and $6 a ton. Exploration is continuing and the proposed programme calls for exploring and developing the mine to a depth of 1,000 ft. and bringing it into production by October 1, 1938, on a 1,000-ton daily milling basis.

Teck Hughes Gold Mines

What is going to happen to the price of Teck-Hughes stock? I would like to get a summary of its present position from you.

We are, of course, unable to forecast the market action of any stock and in the case of Teck-Hughes it would seem that the speculative trading interest in the shares continues to depend largely on developments at the Teck-Hughes-Lamaque development. The latter is, however, making excellent progress from both a development and production standpoint.

Minewise Teck-Hughes seems to be taking a new lease on life through its Lamaque development and we are inclined to share the view of informed mining circles that through this interest, Teck-Hughes is likely to be an important factor in the mining situation for some years to come, apart from depletion and future ore developments at the parent property. It may be noted that the Teck-Hughes parent property now has about 2 years' ore in sight and, while this does not mean that the life of the mine is only 2 years, its ability to continue producing indefinitely depends upon discoveries yet to be made at depth of important commercial ore reserves.

Primrose Exploration Encounters New Vein

While tunnelling to intersect the main vein on the Primrose Exploration Co. holding in Clericy Township, Quebec, a new high-grade quartz vein has been encountered dipping 70 ft. south, according to information wired the company's head office by L. F. Morrison, field manager. The new vein did not show on surface and was intersected 94 ft. in from the entrance to the tunnel carrying a width of 3 ft. with native gold showing.

This tunnel is being driven from the north to intersect the 3 gold bearing quartz viens opened up on surface which are expected to converge at a depth of 100 ft.

We recommend purchase at the market

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Agree To Drill 4-5 New Wells In the Turner

Okalta Involved in Potentially Important Agreement

NEWS OF OIL FIELD

From Our Own Correspondent

CALGARY.—Prospect of 4 or 5 new wells being drilled simultaneously in the south end of Turner Valley is held forth in an agreement just signed in Calgary. Two companies have agreed to start work within 3 months on the wells which are to be located on land held by Okalta Oils Ltd. Okalta is to receive 10% clear royalty on production and 15% clear royalty on the yield from any of the wells which may produce more than 500 bbls. a day.

The agreement whereby Okalta lands are to be developed at no cost to the company is credited to W. S. Herron, pioneer oil operator and managing director of Okalta. It was Mr. Herron and the late A. W. Dingman who were responsible for the first wells drilled in the Turner Valley field.

One of the companies to undertake development of the Okalta property is the Anglo-Canadian Development and Holding Co., which holds an Alberta charter obtained in November, 1934. It has a capital of 100,000 shares of no par value of which 20,005 were issued at last report. The head office is in Calgary and W. G. Egbert, K.C., Calgary barrister, is president.

Eastern Capital Involved

The other company concerned in the agreement with Okalta is now being organized and no name has been chosen. It is stated, however, to be backed by Eastern Canada capital.

The Turner Valley Royalties well is maintaining its remarkable crude oil yield on the west flank of the south Turner Valley structure. By far the largest well in Canada, Turner Valley Royalties production of approximately 25,000 bbls. was marketed to the Bell refinery in Calgary in September. Since the well came in during the middle of June, it has produced in excess of 86,000 bbls. of oil up to the end of September. The company is understood to be obtaining a price of $2.12 cents a bbl.

Turner Valley Royalties crude is utilized by the British American Co. for the manufacture of gasoline. Due to the large production the company has had difficulty hauling the oil from the Turner Valley field to Calgary. An arrangement has just been made whereby Turner Valley Royalties crude will henceforth be brought to Calgary for British American use through the Royalite (Imperial subsidiary) pipe line.

Sovereign Royalties has recently encountered the limestone and Renfrew Royalties is drilling in that formation. This makes 2 wells near completion on the west flank of Turner Valley in the general area of Turner Valley Royalties. Foundation Royalties also is reported near the limestone and potential crude production.

Outside Turner Valley the Hunter Valley well, west of Olds is being rushed to completion with fast rotary equipment. Drilling below 6,000 ft., the well has already struck oil and gas showings.

Granby Meeting Favors Reopening

Approve Plan to Reduce Par From $100 to $5

Shareholders of Granby Consolidated Mining & Smelting Co. meeting in New York, voted in favor of an application to the supreme court of British Columbia for permanent stay in the winding up proceedings. Shareholders also voted in favor of reducing the par value of shares from $100 to $5.

Recently The Financial Post reported that A. S. Baillie, liquidator of the company, was investigating possibilities of reopening the company's Allenby copper plant, in view of the higher prices for copper,

The Allenby plant of Granby, located at Allenby, B.C. in the Similkameen mining division, was closed down in November, 1930. As at Dec. 31, 1934, ore reserves were reported at 9,885,069 tons. On this property the company has a 2,500 ton daily capacity

"Smelters" Bonus Stock Listed on Montreal Board

MONTREAL. — Montreal Stock Exchange has approved for listing 1,195 additional common shares of Consolidated Mining & Smelting Co. of Canada, to be called upon official notice of issuance. The total authorized issue consists of 4 million shares of which 3,258,755 shares are outstanding. The present listing arises out of stock paid as bonus to employees.

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New Mining Companies

Ainsworth Mines—Ont. incorp. Aug. 17, 1936. H. O. Toronto. Author. capit., $1,000,000, par $1.

Admiral Cadillac Gold Mines—Ont. incorp. Aug. 6, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Allan Red Lake Mines — Ont. incorp., Aug. 4, 1936. H. O. Toronto. Author. capit., $4,000,000, par $1.

Amos-Cadillac Gold Mines — Ont. incorp., Aug. 7, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Amm Gold Mines—Ont. incorp., Aug. 7, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Bankfield Consolidated Mines—Ont. incorp., Aug. 6, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Barry Lake Gold Mines—Que. incorp., Aug. 11, 1936. H. O. Quebec. Author. capit., $19,000, divided into 1,900 shares of $10 each.

Blanchette-Porcupine Gold Mines—Ont. incorp., Aug. 7, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Bob Tough Gold Mines (1936)—Ont. incorp., Aug. 4, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Canyon Creek Placers — B.C. incorp., Aug. 10, 1936. H. O., 101 Royal Trust Bldg., 626 Pender St. W., Vancouver.

Central Cadillac Gold Mines—Que. incorp., July 6, 1936. H. O. Montreal. Author. capit., $3,000,000, par $1.

Cline Lake Gold Mines—Ont. incorp., Aug. 5, 1936. H. O. Lochalsh, district of Algoma. Author. capit., $2,000,000, par $1.

Courvak Gold Mines—Que. incorp., July 10, 1936. H. O. Montreal. Author. capit., $3,000,000, par $1.

Crescent Kirkland Gold Mines — Ont. incorp., Aug. 17, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Crusader Porcupine Mines—Ont. incorp., Aug. 6, 1936. H. O. Toronto. Author. capit., 4,000 shares, no par value.

Dufferin Golds—B. C. incorp., July 27, 1936. H. O., 208 Yorkshire Bldg., 525 Seymour St., Vancouver. Author. capit., $1,500,000, divided into 3,000,000 shares of 50 cents each.

Flint Lake Gold Mines—Ont. incorp., Aug. 11, 1936. H. O. Toronto. Author. capit., $40,000, par $1.

Geophysics Exploration — Ont. incorp., Aug. 6, 1936. H. O. Kirkland Lake. Author. capit., $2,000,000, par $1.

Guy-Guibord Gold Mines—Ont. incorp., Aug. 4, 1936. H. O. Toronto. Author. capit., $5,500,000, par $1.

Harrison Creek Ventures—B. C. incorp., July 21, 1936. H. O., Besner Block, Prince Rupert. Author. capit., $100,000, par $1.

Johannesburg Gold Mining—B. C. incorp., Aug. 25, 1936. H. O., 800 Hall Bldg., 789 Pender St. W., Vancouver. Author. capit., 5,000 shares, no par value.

Klask Falls Mining—Ont. incorp., Aug. 5, 1936. H. O. Toronto. Author. capit., 10,000 shares, no par value.

Laforma Gold Mines Syndicate—B. C. incorp., Aug. 4, 1936. H. O., 800 Hall Bldg., 789 Pender St. W., Vancouver. Author. capit., 12,000 shares, no par value.

Lancelot Gold Mines—Ont. incorp., Aug. 4, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Lucknow Gold Mines — Ont. incorp., Aug. 10, 1936. H. O. Toronto. Author. capit., $1,000,000, par $1.

Luna D'Or Mines—Ont. incorp., July 20, 1936. H. O. Ottawa. Author. capit., $3,000,000, par $1.

M & S Milling, Mining and Manufacturing—B. C. incorp., July 25, 1936. H. O., 421 Hall Bldg., 789 Pender St. W., Vancouver. Author. capit., $25,000, par $1.

Mackey Point Gold Mines—Dom. incorp., Aug. 21, 1936. H. O. Montreal. Author. capit., 5,000,000 shares, no par value.

Macvay Red Lake Gold Mines—Ont. incorp., Aug. 7, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Maurice Exploration — Que. incorp., July 17, 1936. H. O., 1410 Stanley St., Montreal. Author. capit., 1,999 shares of $10 each.

Mylamaque Gold Mines—Ont. incorp., July 31, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

N. B. C. Mining—B. C. incorp., Aug. 24, 1936. H. O., 6-1½ Baker St., Nelson, B.C. Author. capit., $300,000, divided into 600,000 shares of 50 cents each.

Norwood Kirkland Gold Mines—Ont. incorp., Aug. 29, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Old Diamond Gold Mines—Ont. incorp., July 30, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Orelia Mines — Ont. incorp., Aug. 12, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

Pre-Cambrian Explorers—Que. incorp., July 10, 1936. H. O. Montreal. Author. capit., 199,000 shares of $1 each.

Riotano Limited—Ont. incorp., July 28, 1936. H. O. Toronto. Author. capit., 40,000 shares, no par value.

Sandlac Gold Mines—Que. incorp., July 17, 1936. H. O. Montreal. Author. capit., $3,000,000, par $1.

Sim-Clere Gold Mines — Que. incorp., Aug. 10, 1936. H. O. Mntreal. Author. capit., $3,000,000, par $1.

South Lamaque Gold Mines—Que. incorp., July 29, 1936. H. O. Quebec. Author. capit., $3,000,000, par $1.

South Malartic Gold Mines — Que. incorp., July 29, 1936. H. O. Montreal. Author. capit., $3,000,000, par $1.

Unuk Ventures—B. C. incorp., Aug. 18, 1936. H. O., Suite 4, Besner Bldg., Prince Rupert. Author. capit., $50,000, par $1.

Virita Porcupine Gold Mines—Ont. incorp., July 31, 1936. H. O. Toronto. Author. capit., $3,000,000, par $1.

CAPITAL INCREASED

Bourlamaque Gold Developments—Supplementary letters patent issued July 25, 1936, increasing capital from $45,000 to $75,000, by the issue of 1,000 new shares of $20 each.

Durban Gold Mines — Supplementary letters patent issued Aug. 4, 1936, increasing capital from $2,000,000 to $3,000,000, by the creation of 1,000,000 additional shares $1 each.

Eldorado Gold Mines — Supplementary letters patent Aug. 10, 1936, increasing capital from $3,000,000 to $4,000,000 by creation of 1,000,000 additional shares of $1 each.

Standard Gold Mines — Supplementary letters patent July 28, 1936, increasing capital from $2,000,000 to $3,000,000 by creation of 1,000,000 shares of $1 each.

CHARTER SURRENDERED

Abana Mines — Notice given July 28, 1936, in Que. Gazette that company will make application for leave to surrender its charter.

Creighton-Fairbank Mines—Notice given July 30, 1936, that surrender of charter has been made. Ont. Gazette, Aug. 15, 1936.

Frontier (Lorrain) Mines—Notice given Aug. 15, 1936, that application for surrender of charter will be made. Ont. Gazette, Aug. 22, 1936.

Richmac Gold Mines—Notice given Aug. 10, 1936, that surrender of charter has been made. Ont. Gazette, Aug. 29, 1936.

CHANGE OF NAME

Lake Routhier Gold Mines—Supplementary letters patent were issued Aug. 14, 1936, changing the name of the company to Routhier Cadillac Gold Mines.

Sanderson-Kirkland Gold Mines—Supplementary letters patent were issued Aug. 7, 1936, changing the name of the company to Gold-Rex Kirkland Mines, and increasing the capital from $2,000,000 to $3,000,000, by the creation of an additional 1,000,000 shares of $1 each.

Plan Busy Winter For Echimamish

Engineer Impressed With Outlook for Manitoba District

From Our Own Correspondent

WINNIPEG. — Developments on the Echimamish River are to continue through the winter, according to information received from shippers who have received orders for the transportation of as much freight as possible, prior to the close of navigation on Lake Winnipeg. The freight will likely be held at Norway House for winter transport, though a sufficient quantity of supplies and provisions will go by air to maintain the crew until winter roads permit of haulage.

J. E. R. Wood, engineer in charge for the Jowsey interests on the so far unnamed property but which generally goes by the name of Echimamish Gold, who spent a few hours in Winnipeg but has since returned to mine, declined to express himself, prior to consultation with the Jowsey interests but admitted that the district generally appears to hold interesting possibilities.

The geology, it is learned, is quite similar to that of God's Lake, consisting largely of sediments and greenstones. Two or 3 other companies, in addition to Echimamish Gold, have had small parties working but there is apparently still a good deal of opportunity for intensive prospecting.

Drilling Contract Let For Great Falls Group

From Our Own Correspondent

WINNIPEG.—Contract has been let for a minimum of 3.000 ft. of drilling to be done on the property of Great Falls Mining and Smelting Co., under option to Northfield Mining Co.

The Great Falls property is an aggregation of a number of properties on which considerable work was done some years ago, but which were not sufficiently interesting to big base metal interests because of the diversity of companies.

Chromium Plans First Shipment

Sault Smelter Producing 10 Tons Ferrochrome Per Day

Chromium Mining & Smelting Corp. is preparing a shipment of 1,000 tons of chromium and silicon at the Sault Ste. Marie smelters for shipment to European ports, according to A. R. Globe, president and general manager. In addition shipments in carload and less than carload lots are being made to United States, Canadian and overseas points.

At the present time Mr. Globe states the company's plant is producing about 10 tons of standard high carbon ferro-chrome and approximately 6 tons of other chromium alloys daily. The construction programme of equipping the smelter is pretty well completed with the erection of a steel building to house No. 4 furnace contemplated for the production of very low carbon chrome.

At the property at Obonga Lake, the concentrator is in operation and producing a higher grade concentrate than originally planned. Underground work on the first and second levels has shown up ore bodies to the 40-45% predicted.

With the assistance of the federal and provincial governments, the road from the mine is being graded and gravelled and it is expected that it will be passable in the early part of November. About 85 men are engaged in the roadway work while a total of approximately 200 men are now employed in the corporation's activities.

Lapa Cadillac Gold Mines — Has intersected the "B" vein in the crosscut on the first level.

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Beresford Lake Mines Makes Stock Offering

H. R. Bain & Co. are currently offering 500,000 shares of Beresford Lake Mines stock at 70 cents per share.

Beresford Lake Mines has an authorized capitalization of 3 million shares no par value. Of this amount 1.2 million shares were issued for the property and 500,000 shares issued for cash. After the present offering, there will be left in the treasury 800,000 shares.

The property, totalling 242 acres, is in the Beresford Lake area of Manitoba. Records of surface sampling under prior management indicated that the ore was exposed for a length of 90 ft., averaging $1.30 per ton across 4.6 ft. Later the vein was drifted on at the 125-ft. level and the old records show ore was opened up for 80 ft. averaging approximately $35 across 30 in. In addition some 75 ft. of lower grade ore was developed at the 125-ft. level. The property is equipped with a steam driven mining plant. Two shafts have been sunk on the property, one inclined to 250 ft. and the second vertical to 500 ft.

The purpose of the present issue is to carry out developments on the 365- and 500-ft. levels and to explore 2 additional veins exposed at surface.

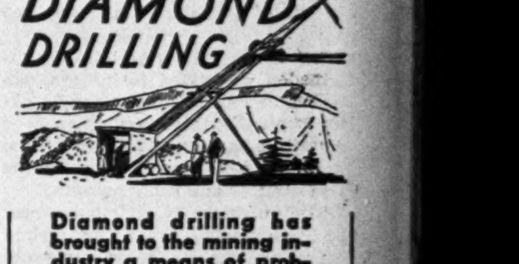
Drill at Tonawanda Intersects Nice Width

Diamond drill hole of the No. 3 vein at Tonawanda Mine adjoining Pandora Cadillac, has been completed. Starting at 90 ft. on the slope a vein was cut 2½ ft. wide and well mineralized according to the company. At 140 ft. in the same hole, 21 ft. of heavily mineralized vein material was encountered. Assays will be ready in a few days.

A. D. Dickson has been appointed consulting engineer.

Golden Summit Mines—In Maisonville Twp., Kirkland Lake district, has shipped its first bar of gold to the Ottawa mint. The gold was produced in the test mill installed this year.

DIAMOND DRILLING



Diamond drilling has brought to the mining industry a means of probing geological formations to depth. It is the most economical method of proving the downward continuation of gold-bearing veins.

Following hydraulicking operations of Empress Consolidated, which uncovered vein material for several hundred feet on surface, a diamond drilling campaign is now under way to prove up structure to depths of approximately 100, 200, 500 feet.

Details of the results being obtained indicate a vein system of exceptional widths and length. Full information available upon request.

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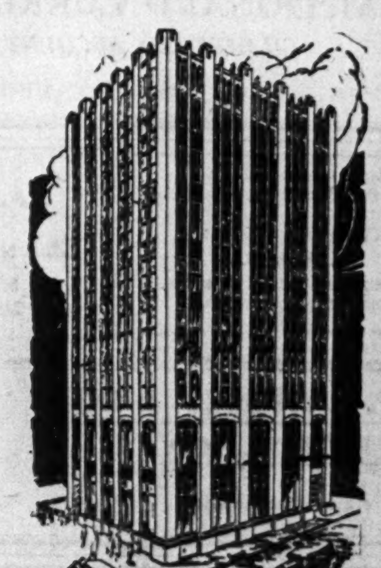

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The Nation's Health

With 2 Per Cent of Workers Sick Any Time and One-Fifth of Hospital Population Indigents, Health and Medical Services Loom as Serious Problem

By CHARLOTTE WHITTON, C.B.E.

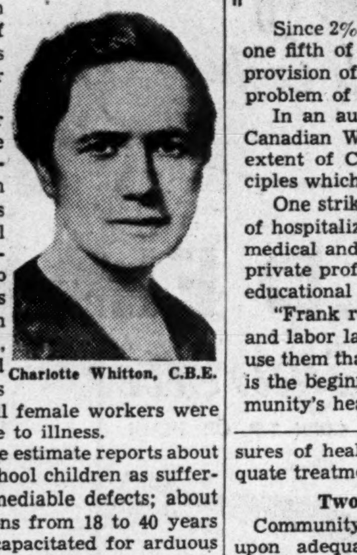
Health and Medical Care Must Have Clear Thinking

Since 2% of our working population are sick at any one time and since one fifth of our total hospitalization is given to indigent patients, the provision of medical and health service to Canadian citizens ranks as a problem of first-rate social economic importance.

In an authoritative study, Charlotte Whitton, executive director of Canadian Welfare Council, shows clearly and forcibly the nature and extent of Canada's health services and lays down fundamental principles which must be kept in mind in any study of this major problem.

One striking fact not generally appreciated is that although the bulk of hospitalization services are paid for and supported by the state, the medical and nursing fraternity still retain the status and privileges of a private profession — a very different situation from those who man our educational institutions, for example.

"Frank recognition of the fact that this huge investment in hospital and labor laboratory equipment is no more the possession of those that use them than the schools are of the teachers or the courts of the lawyer, is the beginning of clear thinking and progress in the care of the community's health," says Miss Whitton.



Charlotte Whitton, C.B.E.

At any time about 2% of the working population are sick from one cause or another. At the date of the 1931 census one out of every 23 workers had lost an average of over 12 weeks in the year for illness.

Altogether for the whole working population an average loss of about 4 full days per annum, due to illness, was recorded. On June 1, 1931, 1% of all male workers and 1% of all female workers were off work due to illness.

One reliable estimate reports about 70% of all school children as suffering from remediable defects; about 30% of persons from 18 to 40 years of age as incapacitated for arduous labor from largely preventable causes, and 60% of those from 40 to 60 years as in need of care for controllable if not preventable conditions.

Certain cross-section studies made at different times indicate that serious as is this average sickness and loss among Canadian workers, it is really its unevenness for the workers who suffer that is the problem. Prof. L. C. Marsh of McGill University found in his enquiries that about 90% of this sickness was treated in the home, that is, apparently did not urgently require hospital service.

Hospital Problem

The relative problem of serious illness is also suggested by such facts as are brought out in the Hospital Report of the Dominion Bureau of Statistics, which showed that but 64% of the hospital beds of Canada were occupied during 1932, or that the bed capacity was occupied 64% of the total time. The average length of hospitalization was 19.3 days.

Nearly a fifth of the total hospitalization was given to indigent patients. Sickness among the working population also seems to rise to a peak in January and February and to drop to its lowest point in the late summer and early autumn.

The incidence of certain diseases, the high mortality rate from certain causes and the gratifying results obtained in various effective programmes of reduction or control (e.g. in infant mortality, in deaths from typhoid and from tuberculosis, in diphtheria immunization, etc.) indicate the degree to which we can have health and life or disease and death as a community, largely as we provide or fail to provide measures of health education and adequate treatment facilities.

Two-fold Problem

Community health is dependent upon adequate measures for the prevention and control of disease, the treatment of sickness, and community and individual effort for the general preservation of health. Public measures designed to protect health—sanitation control, food inspection, etc.—continuous public health education, and the assurance of services for the actual care and treatment of illness are the vital factors in a community health programme.

Facilities for treatment, in addition to measures for prevention and control, should be on a community basis where this is indicated, e.g., tuberculosis, mental disease, cancer, and otherwise on an individual basis in home or hospital as the case may indicate, with clinical facilities for treatment of conditions which are frequent in their incidence and susceptible to such treatment.

Obviously, public assurance must be given of adequate and qualified personnel, hospital and clinical facilities, and for the provision of such services to persons without means, with some equitable distribution of costs for the great number whose incomes simply will not meet these costs individually.

Canada has gone far toward meeting the first 2 phases of the problem; but so far as the latter increasingly serious aspect of the situation is concerned, she is weltering in a sea of confusion.

Relation to Dependency

Every social worker knows, however, that the actual ill health, disease and death attendant upon inability to obtain proper health care are but part of the picture; that the fear of loss of time and earnings and the economic drain of the cost of medical and health services, together with the certain impoverishment of the home if any prolonged illness strikes it, are an equally heavy cost of the health problem in the average Canadian family. A long illness or a major operation today is likely to cost the artisan most of his life's savings, or the farmer a mortgage on his home

Again, it is the uneven spread of the cost of illness rather than its average that is the problem and that being the case, some part of the answer would seem to lie in group treatment on pooled risk rather than individual responsibility on individual risk, and that is the answer which, beginning with Germany in 1883, more than a score of countries have now evolved under the name of compulsory contributory health insurance. But it is not as simple as it sounds, nor can any plan other than the contributory basis of worker and employer and either or both with the state be called State Health Insurance.

What is the Need?

The problems first and foremost are preservation of health and the prevention of disease and ill health. This is primarily a question of health education and periodic health examination and has to date been regarded as the chief function of the public health services and voluntary effort. Will it continue so, or will it be related to actual public service programmes or insurance services?

As with any soundly organized social service, that health service which can give help and assistance with the least possible disarrangement of the individual's normal life is socially the soundest—hence the inestimable value (whenever possible and safe for the individual and the community) of health services given in the home—through the family practitioner, the private duty or visiting nurse, the clinic — all services which allow aid without serious disruption of the family life or home situation.

Specialized Care

Then, when assistance cannot be effectively or safely provided in the home, the hospital enters the picture, with the sanitarium, the mental hospital, etc., providing for specialized care. And complete health service should contemplate good supervision through convalescence, again in institutional or home care, as circumstances may indicate, and finally, the re-establishment of the patient in the community on a self-supporting basis.

Who Are the People?

How are these to be assured for all the people?

Who are all the people of Canada?

(1) They are the indigent, needy and completely dependent

(2) They are the great middle class, struggling, many of them, against great odds to pay their way, a working population in all (including the professions, employers, merchants, farmers, workers "on their own" and employees) of about 3,900,000 persons actually gainfully occupied.

(3) They are, finally (a small percentage), the comfortable and the well-to-do.

Needs Are Varied

Many of our people are not regularly employed, even in good times, because of the seasonal nature of employment. Sometimes as high as 40% of the working population will have some time off during the year, and this may run as high as 24 and 25 weeks for certain activities. It was estimated in the unemployment insurance calculations that 860,000 wage workers are seasonally or casually employed and that about 730,000 are in agriculture.

Our people dwell in crowded urban centres; they live in the pleasant smaller cities and towns; they work the attractive farms of our well developed agricultural areas; they are scattered on the pioneer fringes, in the lonely stretches of the new and opening lands, in the lumbering, mining and fishing areas where life is arduous and a living hardly earned.

Can they all be served by a common health service?

Existing Services Widespread

The existing services which have come into being to meet the health needs of the people are widespread and diversified, and obviously in need of the patient and extensive study from which more effective coordination might arise. Unlike the employment field, in which public services have been set up largely since the war and relief services in the last 5 years, the health field in Canada has been extensively developed through comprehensive municipal and provincial provision and through creditably broad programmes and facilities for medical, nursing, dental and pharmaceutical education.

Millions of dollars, hundreds of units and thousands of personnel are already an integral part of public health services or services so substantially aided by public funds as to fall justifiably within the category of publicity provided services. Thousands more are engaged in private practice in medical, nursing, dental and pharmaceutical pursuits.

Hospital Equipment

Hospitalization services indicate the extent of Canada's existing investment in health. In 860 hospitals, 11,400 doctors are now members of staff or caring for patients, with 726 medical staff and 733 internes on full-time employment; 5,210 graduate nurses and 9,472 student nurses are employed. Annual maintenance costs exceed $38 millions and 51,577 beds are available for hospital patients.

Fully 20% of this care is given to non-pay patients, while 30% to 35% of all patients are indigent. Considering that the extent of social dependency appears to vary between one in 5 and one in 6 of the population, adequate hospitalization for the clearly indigent would seem to be fairly well assured.

90% Public Funds

Clinic and hospital resources form the background and working facilities for adequate diagnosis and treatment of disease and illness. The training schools and universities obviously provide for the acquisition of knowledge and skill in the practice of the allied professions which serve health and healing.

Like the general educational and welfare services, public and private, more than 90% of all these resources have been provided and still are functioning solely through the provision of funds given by the whole community through public taxation or private contributions, though, unlike the teaching profession and the overwhelming proportion of those now in the welfare services, those who staff them retain the status and privileges of a private profession.

Status of Profession

This fact further complicates the situation and has given rise to a tendency to regard the resources of the training facilities, hospitals, clinics, laboratories, etc. as the possession of those who follow their professions therein, rather than as what they truly are, public services maintained from public funds or privately incorporated services, maintained in smaller part from the fees of paying clientèle, but more largely from public grants or private philanthropic funds.

Frank recognition of the fact that training, hospital, clinics, and laboratory resources are no more the possession of those who use them than the schools are of the teachers or the courts of the lawyers, is the beginning of clear thinking and progress in the care of the community's health.

Place of the Doctor

The public, too, must think more clearly on another factor in the problem and that is the general assumption that in part as a tradition of the practice of medicine, in part as some reciprocal return for the use of the community facilities in hospital, clinic, etc., the doctor is expected to give his services without charge to those unable to pay for them.

Even if there be some grounds for expecting a quid pro quo, even if ancient and noble traditions suggest the free gift of kindly service, the voluntary contribution of the doctor, nurse and dentist, like that of any other citizen to any individual or community need, should rest within his own discretion and judgment and not be arbitrarily fixed or demanded by leaving the exigencies of the health care of the needy so obviously without other provision that the only assumption is their free care at the unrelieved costs of the professions involved. The mere growth in the extent of dependency in the last decade rules out the possibility of any such laissez faire solution.

Combines Legislation Will Get Overhauling

Present Act Likely To Be Rewritten When House Meets

TO HAVE ONE HEAD

From Our Own Correspondent

OTTAWA.—New legislation regarding combines, and other injurious restraints of trade, is foreshadowed in the early future.

It was shelved by pressure of more urgent matters at the last session, but it is tentatively on the agenda of government business for the next sitings of parliament.

The whole relationship of the Federal Government toward private industry, and especially such modern developments as trade associations, agreements, mergers and understandings, will be involved in the new statutes which are to be written.

Has Done Little

At present the Combines Investigation Act, which has been relatively passive for 6 years, is in a curious position. It is an appendage to the Federal Trade and Industry Commission. This in turn is crippled by constitutional invalidities still being threshed out before the Privy Council, and by the fact that its personnel is the same as that of the Dominion Tariff Board. The main job of Messrs. Sedgewick, Campbell and Hebert is tariffs, and it is a very arduous one. They can spare only odd hours for the other big field.

There are 3 alternatives before the Federal Government in dealing with combines

1. Leave the administration of the Combines Investigation Act with the Tariff Board, in the present makeshift arrangement, which expresses neither the intention of the authors of the Combines Act of 1923, nor the recommendations of the Price Spreads enquiry of 1934. The latter envisaged a powerful Trade Commission with the regulation, sanction and investigation of monopolies and combines as a major duty.

2. Establish a Trade and Industry Commission, separate from the Tariff Board, not to sanction and regulate combines, but to see that competition does its proper work.

The commission would consist of 3 men familiar with business practice and modern economics. The present registrar of the Combines Investigation Act, Fred A. McGregor, would be one of the board. His experience gathered over the past 12 or 13 years would be indispensable.

3. Rewrite the present Act so as to strengthen it and place at the head a single permanent commissioner, who would in most enquiries do the investigating himself rather than employ, as at present, a special commissioner. The Combines Commissioner would work in close relationship with the Minister of Labor, but would enjoy a large measure of independence regarding the subject of his investigation. He would be free to enquire, free to publish reports, and enjoy a quasi-judicial position.

Commissioner Probable

The lack of an official announcement makes it impossible to say which of these courses will be followed, but the weight of evidence indicates that it will be the third.

The Combines Investigation Act enjoyed a fairly active period from 1923 to 1930, when the party which had sponsored it was in power at Ottawa. From 1930 to 1935 it was passive, largely because the party in power had a different philosophy of trade. In 1935 it was made an appendage of the Dominion Trade and Industry Commission, but no new commissioners were set up, and, pending a general election, and in the shadow of an inevitable constitutional challenge, little more than routine business was possible.

It is conceivable that the present government might let the Combines Investigation legislation drift on indefinitely in its present form. Some interests in the country would be glad to see it left where it is. But in the light of several factors, Premier Mackenzie King's personal interest in the matter, the clear-cut pre-election pledges on the subject, and the economic philosophy of the present Minister of Labor, Hon. Norman Rogers, it is safe to predict that the whole matter will be clarified in the early future, and that a new act will be written.

Need is Imperative

The problem of securing desirable competition and of controlling monopoly appears to some authorities at the capital to be growing rapidly as business becomes more complex and interrelated. The need for strong federal machinery to guide commercial organization in the best interests of the public is becoming more imperative, according to this view, and no time should be lost in adopting a long-range policy.

Though the Liberals are often accused of being out-and-out advocates of extreme "laissez faire" doctrines, it has been pointed out repeatedly that the Combines legislation of 1923 is not aimed at business association of a beneficial nature. A "combine" in the sense in which it is used in the Act is not any or every combination or association of business people, but one which has operated or is deemed likely to operate to the detriment of or against the interests of the public.

In an annex to the Price Spreads report, this point was emphasized. "While Canadian combines legislation makes no affirmative statement of the policies which trade and industrial combinations may pursue, there is unquestionable right to combine, and, in combination, to carry out any course of action which is not injurious to the public . . . This distinction between combinations which are socially desirable, and those which are not has been made in all our Canadian legislation on the subject."

HEADS BRANCHES

A. Gordon DeMond has been appointed superintendent of all Canadian branches of Imperial Oil Ltd. Born at Windsor, N.S., 40 years ago, he joined the Bank of Nova Scotia in 1912, went overseas with 36th Howitzer Battery C.F.A. in 1915, served until Armistice, joined Imperial Oil as warehouse agent at Sydney, N.S., in 1919, transferred to Amherst as salesman in 1923, made assistant manager at Halifax in 1926, manager in 1930 and sales manager for Toronto division in 1933.

Premier's Views Known

The attitude of Premier Mackenzie King may be gathered from one of the pledges which he recited in the House of Commons, February 27, 1933:

"Then concerning the liberation of internal trade: The Liberal party will seek to end artificial price control and agreements in restraint of trade. Price-fixing by agreements restricts and hampers trade internally. The internal trade of this country has become honeycombed and enmeshed by secret understandings and agreements.

"The protective tariffs; as they obtain in Canada today, have fostered the formation of combines, monopolies and trusts, and under these combines, monopolies and trusts there is no end of secret agreements by which prices are being held at artificial figures. I might remind the house that some years ago a Liberal administration passed the Combines Investigation Act. As soon as we assumed power we restored that legislation to the statute book.

"But the Combines Investigation Act is but a mere beginning, and does not meet the situation obtaining today. There should be more adequate facilities for investigations, and additional penalties should be imposed. Some conditions obtain which should be remedied by additional provisions in the criminal code. Today we are seeking in vain to cope with these evils by milder methods."

The pledge was repeated, without comment, in the second radio address of Mackenzie King, Aug. 2, 1935.

King is Critical

Evidence that Mackenzie King is dissatisfied with the present set-up appears from the criticism he voiced in the House when the Dominion Trade and Industry Act, giving the new body administration of the Combines Investigation Act, was up for discussion (June, 1935):

"To add to the functions of the board the business of carrying out the provisions of the Combines Investigation Act is simply to sidetrack the Combines Investigation Act altogether. The Combines Investigation Act is the important measure, and while there may be the strongest reasons for extending its provisions in a way that would serve to bring into being a special commission in the nature of a trade and industry commission, this particular method of dealing with the matter is, as I have said, simply negativing in large part the benefits that already exist under the Act."

While the present Combines Act (the 1910 bill was written and sponsored by Mackenzie King, then Minister of Labor) is a Liberal Government measure (1923) and may be said to express substantially the views of the present government in the matter, several weaknesses have been discovered in its operation, which will now probably be attended to.

Method Unsatisfactory

The method of appointing "ad hoc" commissioners is unsatisfactory for 2 reasons. It has always been difficult to find a commissioner with the right qualifications, free to serve; and then, when each enquiry was over, the experience gained by the commissioner was lost. By appointing a commissioner to head the branch, who would personally conduct most enquiries, there would be an accumulation of experience and information, and a continuity of policy, which would be a great improvement, it is claimed. More attention will be given in the new legislation, it is expected, to publicity for interim reports, and to the adequacy of penalties.

The Dominion Trade and Industry Commission, in respect to some sections, is before the Privy Council. But the ruling is not expected to affect the constitutionality of the Combines Act, which has already been pretty thoroughly tested in the courts.

While there is every prospect that the government will write and sponsor new legislation carrying out pre-election pledges regarding internal competition, it is quite conceivable that they may meet with considerable opposition to such a measure in the Senate. The Conservatives still enjoy a large majority in the Upper Chamber, and some of the Liberals are not unduly sympathetic with proposals to interfere with private business.

B. A. Oil Posts Bond Pending Oklahoma Suit

British American Oil Producing Co., U. S. subsidiary of British American Oil Co., is filing a supersedeas bond of $1 million in connection with its appeal to the Oklahoma State Supreme Court. This appeal is from district Judge R. P. Hill's ruling that Barnsdall-Midway Oil Co. is entitled to an undivided half interest in the valuable Piersoll-Stone (Russell Place) oil leases in the Mansion area of the Oklahoma City field. Judge Hill, as expected, had already denied the company's motion for a new trial. The bond of $1 million is to cover cash accruals to Barnsdall in case B. A. Oil should lose in the final court.

The primary arrangement of B. A. Oil was with Victor Oil Co. when the extension field was first being developed. The interest was acquired by Midway and Midway interests by Barnsdall later.

Denial of an appeal of the company against a ruling forbidding the drilling of a second well on the East Piersoll lease is considered unimportant.

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